



Audit and Risk Management Committee

Date: TUESDAY, 26 JANUARY 2016

Time: 1.45 pm

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

Members:

Alderman Nick Anstee (Chairman)	Alderman Timothy Hailes
Nigel Challis (Deputy Chairman)	Alderman Ian Luder
Sheriff & Alderman Charles Bowman	Kenneth Ludlam (External Member)
Deputy Roger Chadwick (Ex-Officio Member)	Caroline Mawhood (External Member)
Henry Colthurst (Ex-Officio Member)	Jeremy Mayhew (Ex-Officio Member)
Hilary Daniels (External Member)	Graeme Smith
Revd Dr Martin Dudley	
Deputy Jamie Ingham Clark	
Oliver Lodge	

Enquiries: Julie Mayer
tel. no.: 020 7332 1410
julie.mayer@cityoflondon.gov.uk

Lunch will be served in Guildhall Club at 1pm
NB: Part of this meeting could be the subject of audio or video recording

John Barradell
Town Clerk and Chief Executive

AGENDA

Part 1 - Public Agenda

1. **APOLOGIES**
2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**
3. **MINUTES OF THE PREVIOUS MEETING**
To agree the public minutes of the meeting held on 3rd November 2015.
For Decision
(Pages 1 - 4)
4. **OUTSTANDING ACTIONS LIST**
To note the Committee's Outstanding Actions List.
For Information
(Pages 5 - 6)
5. **COMMITTEE WORK PROGRAMME**
To note the Committee's Work Plan.
For Information
(Pages 7 - 8)
6. **TERMS OF REFERENCE AND FREQUENCY OF MEETINGS OF THE AUDIT AND RISK MANAGEMENT COMMITTEE**
Report of the Town Clerk.
For Decision
(Pages 9 - 12)
7. **BRIDGE HOUSE ESTATES, CITY'S CASH, CITY'S CASH TRUSTS, THE CORPORATIONS SUNDRY TRUSTS & OTHER ACCOUNTS - EXTERNAL AUDIT STRATEGY & PLANNING REPORT ON THE 2015-16 FINANCIAL STATEMENTS**
Report External Auditors to those charged with Governance.
For Decision
(Pages 13 - 32)
8. **INTERNAL AUDIT UPDATE REPORT**
Report of the Head of Internal Audit and Risk Management.
For Information
(Pages 33 - 40)
9. **2016-17 INTERNAL AUDIT PLAN AND THREE YEAR STRATEGY**
Report of the Head of Internal Audit and Risk Management.
For Decision
(Pages 41 - 52)
10. **AUDIT AND RISK MANAGEMENT COMMITTEE SURVEY**
Report of the Town Clerk.
For Decision
(Pages 53 - 60)

11. **CORPORATE RISK REGISTER REVIEW**
Report of the Chamberlain.
For Information
(Pages 61 - 88)
12. **CORPORATE RISK 20 - ROAD SAFETY**
Joint report of the Director of the Department of Built Environment and City of London Police.
For Information
(Pages 89 - 104)
13. **REGULATION OF INVESTIGATORY POWERS ACT 2000**
Report of the Town Clerk.
For Information
(Pages 105 - 120)
14. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
15. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
16. **EXCLUSION OF THE PUBLIC**
RESOLVED: That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part I of the Schedule 12A of the Local Government Act.

For Decision

Part 2 - Non-Public Agenda

17. **WAIVER REQUEST**
Report of the Chamberlain.
This report was approved by the Finance Committee on 15th December 2015.
For Information
(Pages 121 - 124)
18. **THE CHAIRMAN TO BE HEARD IN RESPECT OF A GOVERNANCE MATTER**
19. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
20. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

This page is intentionally left blank

AUDIT AND RISK MANAGEMENT COMMITTEE

Tuesday, 3 November 2015

Minutes of the meeting of the Audit and Risk Management Committee held at Committee Rooms, 2nd Floor, West Wing, Guildhall on Tuesday, 3 November 2015 at 1.45 pm

Present

Members:

Alderman Nick Anstee (Chairman)
Nigel Challis (Deputy Chairman)
Roger Chadwick (Ex-Officio Member)
Henry Colthurst (Ex-Officio Member)
Hilary Daniels (External Member)
Revd Dr Martin Dudley

Oliver Lodge
Alderman Timothy Hailes
Jamie Ingham Clark, Deputy
Alderman Ian Luder
Kenneth Ludlam (External Member)
Caroline Mawhood (External Member)

In Attendance

Officers:

Peter Kane	- Chamberlain
Julie Mayer	- Town Clerk's
Caroline Al-Beyerty	- Chamberlain's Department
Steve Telling	- Chamberlain's Department
Chris Harris	- Chamberlain's Department
Paul Dudley	- Chamberlain's Department
Michael Cogher	- Comptroller and City Solicitor
Nick Bennett	- Moore Stephens
Lucy Nutley	- Moore Stephens
Heather Bygrave	- Deloitte
Angus Fish	- Deloitte

1. APOLOGIES

Apologies were received from Sheriff Charles Bowman (Alderman); Jeremy Mayhew and Graeme Smith.

2. MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA

There were no declarations.

3. MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 17th September 2015 were approved.

4. OUTSTANDING ACTIONS OF THE COMMITTEE

The Committee received its outstanding actions list and noted the following:

- A new template for the Head of Annual Internal Annual Opinion Report was in place and a mock external inspection had been scheduled for January.
- Chris Harris had met with Graham Smith in respect of cyber security, following the Committee's consideration of this item at its last meeting.

5. **COMMITTEE WORK PROGRAMME**

Members received the Committee's work plan and noted that '*Deep Dives*' into corporate risks would be re-introduced from January 2016, starting with Air Quality, which had been approved by the Chief Officers' Summit Group as a new Corporate Risk.

The Summit Group had also agreed to add Road Safety as a new Corporate Risk. Members suggested that, given the current press interest in cyclist and road casualties, this risk should also be considered as a deep dive at the next meeting, with a relevant officer from the City of London Police in attendance. Members noted that the Streets and Walkways Sub Committee on 20 November 2015 would receive a report on the remodelling of Bank junction.

There was a further suggestion that, in addition to the Risk Challenge Session for the 3 schools, a further session be added covering Education more generally, with an invitation extended to the Chairman of the Education Board.

6. **CORPORATE RISK REGISTER REVIEW**

The Committee considered a report of the Chamberlain setting out the latest Corporate Risk Register and the addition of two new Corporate Risks, as detailed above. The Chairman was also pleased to announce the success of a recent Member Development session on risk management, which had been very interactive and raised interest in future membership of the Committee.

In respect of the other corporate risks, the following matters were raised/noted:

- Police Funding Gap – this would be the subject of a Member Breakfast briefing, to which external Members would be invited.
- IT Service Provision - the completion of the Police infrastructure work would bring in extra resilience and completion was expected for the end of December. Members noted that this would make a significant difference to the risk level.

RESOLVED, that :

- 1) The Committee endorse the decision of the Chief Officers' Risk Management Group to add new two risks to the corporate risk register, as set out below, and note that this will increase the total number of corporate risks to 11:

- MCP – Air quality
- DBE – Road Safety

- 2) It be noted that there are no substantive changes to the existing nine corporate risks since the last risk update to Audit and Risk Management Committee in September 2015.

7. CITY'S CASH FINANCIAL STATEMENTS 2014/15

The Committee considered a report of the Chamberlain seeking the agreement of the Audit and Risk Management Committee to recommend approval (by the Finance Committee) of the City's Cash Financial Statements for 2014/15. Members noted that the External Auditors had proposed an unqualified opinion. A Member Development Session on the Financial Statements had been well attended and a suggestion in respect of the wording in the Annual Report had been adopted.

During the discussion, Members made some further suggestions, as follows:

- The wording of Section 5 of the Annual Report regarding Governance Arrangements should be made clearer.
- In addition to the disclosure note to the financial statements, the works being undertaken to the Hampstead Heath Ponds should be included in the Annual Report.

RESOLVED, that - the City's Cash Financial Statements be recommended for approval (by the Finance Committee) for the year ended 31 March 2015.

8. DELOITTE'S FINAL REPORTS ON THE AUDITS OF THE CITY FUND AND CITY OF LONDON PENSION FUND

The Committee received a report of the Chamberlain in respect of Deloitte's final reports on the Audits of the City Fund and City of London Pension Fund. Members suggested that, as there were some changes to the City Fund Financial Statements between the July meeting of the Committee and the final sign off, it should go on record in these Minutes that Members of the Audit and Risk Management Committee and those attending the briefing sessions were comfortable with the final version. (Further detail on these changes was outlined on the next report on this agenda – *Decisions taken under Delegated Authority since the last Meeting of the Committee*.)

The Chairman suggested and Members agreed that, given the pension deficit was the subject of a discussion at the Court of Common Council, the Court should receive a further report explaining the position, subject to the agreement of the Chairmen of Policy and Resources and the Finance Committee. Amongst other things, the report would need to explain the difference between the accounting and actuarial deficits. There was a further suggestion that Members of the Court should receive a brief summary on the work of the Audit and Risk Management Committee more generally and its success in raising the profile of risk management across the City of London Corporation.

RESOLVED, that - Deloitte's final audit reports on the City Fund and City of London Pension Scheme be noted.

9. **DECISIONS TAKEN UNDER DELEGATED AUTHORITY OR URGENCY PROCEDURES - AUDITED 2014/15 CITY FUND AND PENSION FUND FINANCIAL STATEMENTS**

The Committee received a report of the Town Clerk which reported on the following decision, which had been taken under delegated authority, since the last meeting of the Committee:

RESOLVED, that – the delegated decision taken in respect of the Audited 2014/15 City Fund and Pension Fund Financial Statements be noted.

10. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

There were no questions.

11. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

Members were asked to note the date for the Committee dinner on 4th February 2016, with Mr Stephen Haddrill, Chief Executive of the Financial Reporting Council as guest speaker.

The meeting ended at 2.30 pm

Chairman

Contact Officer: Julie Mayer
tel. no.: 020 7332 1410
julie.mayer@cityoflondon.gov.uk

AUDIT AND RISK MANAGEMENT COMMITTEE - Outstanding Actions- January 2016 update

	Item	Action	Officer responsible	Progress updates/target
2	Head of Internal Audit – Annual Opinion (added 2.6.15)	<ol style="list-style-type: none"> Members asked if future reports could provide a comparison with the previous years' performance and give greater visibility to improvements, - ie the regular inclusion of risk management reports on all Grand Committee agendas and the implementation of the Risk Challenge sessions. Peer Review - As this had not been progressed across other authorities, officer would need to look at alternative benchmarking and report back to the Committee in due course. 	C Harris P Dudley	<ol style="list-style-type: none"> On-going. Members noted that, as a number of organisations were undertaking mock external reviews, this might be an option.
3	Cyber Security Risks (added 17.9.15)	Consider the possible security risks in sending emails to Members' non-City of London email addresses, given they might have different levels of security protection.	C Keesing P Dudley	Currently under consideration, with the aim of issuing definitive guidance going forward, once all issues have been considered.
4	Risk Management (added 3.11.15)	<ol style="list-style-type: none"> A further risk challenge session be added covering Education more generally, with an invitation extended to the Chairman of the Education Board. Given the current press interest in cyclist and road casualties, road safety to be considered as a deep dive at the next meeting, with a relevant officer from the City of London Police in attendance. Members of the Court to receive a brief summary on the work of the Audit and Risk Management Committee generally and its success in raising the profile of risk management across the City of London Corporation. 	P Dudley C Harris	<ol style="list-style-type: none"> On-going On the agenda for January 2016 Currently with Members for comment, likely to be actioned by the time of the January Meeting

AUDIT AND RISK MANAGEMENT COMMITTEE - Outstanding Actions- January 2016 update

	Pension Fund (added 3.11.2015)	Given the pension deficit was the subject of a discussion at the Court of Common Council, the Court should receive a further report explaining the position, subject to the agreement of the Chairmen of Policy and Resources and the Finance Committee.	P Kane C Al-Beyerty S Telling	The Court received a report on 14 January 2016. A further Member Development session was held on 11 January 2016
	City's Cash Financial Statements	<ol style="list-style-type: none"> 1. The wording of Section 5 of the Annual Report regarding Governance Arrangements should be made clearer. 2. In addition to the disclosure note to the financial statements, the works being undertaken to the Hampstead Heath Ponds should be included in the Annual Report. 	P Kane C Al-Beyerty S Telling	These amendments were included in the final and published version of the statements.

Audit and Risk Management Work Programme 2016

Date	Items
8 th March 2016	<p>Anti- Fraud & Investigations Update</p> <p>Risk Update</p> <p>Results of Committee Effectiveness Survey</p> <p>Annual Governance Statement Methodology</p> <p><u>BDO Audit Plans for the 2015/16 City Fund and Pension Funds Financial Statements</u></p> <p><u>Risk Challenge Sessions:</u></p> <ul style="list-style-type: none"> • Culture, Heritage and Libraries • Mansion House
14 th June 2016	<p>Risk Update</p> <p>Internal Audit Update</p> <p>Annual Internal Audit Opinion</p> <p>Risk Challenge Session: tbc</p>
18 th July 2016	<p>Draft 2015/16 City Fund and Pension Fund Financial Statements together with BDO's report thereon.</p> <p>Risk Challenge Session: tbc</p>
13 September 2016	<p>Anti-Fraud & Investigations Update</p> <p>Internal Audit Update</p> <p>Risk Update</p> <p>Risk Challenge Session: tbc</p>
8 November 2016	<p>Draft 2015/16 Non-Local Authority Financial Statements (City's Cash, Bridge House Estates, City's Cash Trust Funds, and the Sundry Trusts) together with Moore Stephens report thereon.</p> <p>Risk Update</p> <p>Risk challenge session: tbc</p>

This page is intentionally left blank

Committee: Audit and Risk Management	Date: 26 th January 2016
Subject: Terms of Reference and Frequency of Meetings of the Audit and Risk Management Committee	Public
Report of: Town Clerk	For Decision
Report Author: Julie Mayer – Committee and Member Services	
<p style="text-align: center;"><u>Summary</u></p> <p>1. As part of the post-implementation review of the changes made to the Governance Arrangements in 2011, it was agreed that all Committees/Boards should review their terms of reference annually. This will enable any proposed changes to be considered in time for the reappointment of Committees by the Annual Meeting of the Court of Common Council.</p> <p>2. The terms of reference of the Audit and Risk Management Committee are attached as an appendix to this report for your consideration.</p> <p><u>Recommendations</u></p> <p>1. That, subject to any comments, the terms of reference of the Audit and Risk Management Committee be approved for submission to the Court, as set out in the appendix.</p> <p>2. The Committee is also asked to consider the frequency of its meetings going forward.</p>	

Contact:

Julie Mayer

Telephone: 020 7332 1410

Email: julie.mayer@cityoflondon.gov.uk

This page is intentionally left blank

YARROW, Mayor	RESOLVED: That the Court of Common Council holden in the Guildhall of the City of London on <u>Thursday 23rd April 2015, doth hereby appoint the following Committee until the first meeting of the Court in April, 2016.</u>
---------------	--

AUDIT & RISK MANAGEMENT COMMITTEE

1. Constitution

A Non-Ward Committee consisting of,

- nine Members elected by the Court of Common Council* at least one of whom shall have fewer than five years' service on the Court at the time of their appointment
- three external representatives (i.e. non-Members of the Court of Common Council with no voting rights)
- the Chairman and Deputy Chairman of the Finance Committee (ex-officio with no voting rights)
- a representative of the Policy & Resources Committee (ex-officio with no voting rights)

*The Chairmen of the Policy and Resources, Finance and Investment Committees are not eligible for election to this Committee and the Deputy Chairman of the Audit & Risk Management Committee for the time being may not be a Chairman of another Committee.

2. Quorum

The quorum consists of five Members i.e. at least three Members elected by the Court of Common Council and at least one external representative.

3. Membership 2015/16

- 3 (3) Timothy Russell Hailes, J.P., Alderman, *for three years*
- 5 (4) Nigel Kenneth Challis
- 5 (4) Oliver Arthur Wynlayne Lodge, T.D., B.Sc.
- 5 (3) Nicholas John Anstee, Alderman
- 5 (2) The Revd. Dr. Martin Dudley
- 5 (2) Ian David Luder J.P., B.Sc.(Econ.), C.B.E., Alderman
- 5 (2) Graeme Martyn Smith, *for three years*
- 3 (1) Charles Edward Beck Bowman, Alderman
- 3 (1) Jamie Ingham-Clark, Deputy

together with three external representatives:-

Hilary Daniels (*appointed for a four year term expiring in March 2016*)

Kenneth Ludlum (*appointed for a three year term to expire in March 2017*)

Caroline Mawhood (*appointed for a four year term expiring in March 2018*)

and together with the Members referred to in paragraph 1.

4. Terms of Reference

Audit

- (a) To consider and approve the annual internal and external audit plans.
- (b) To commission and to receive reports from the Chief Internal Auditor on the extent that the City of London Corporation can rely on its system of internal control and to provide reasonable assurance that the City of London Corporation's objectives will be achieved efficiently.
- (c) To meet with the external auditors prior to the presentation of the Accounts to the Court, consider the audited annual accounts of the City Fund and the various non-local authority funds, to receive and consider the formal reports, letters and recommendations of the City of London Corporation's external auditors and to make recommendations relating to the approval of the accounts (to the Finance Committee).
- (d) To meet with the external auditors of the City's various funds at least once in each calendar year prior to the presentation of the financial statements to the Court.
- (e) To report back as necessary to the Court of Common Council.
- (f) To appoint an Independent Audit Panel to make recommendations on the appointment of external auditors to the Court of Common Council.

Risk Management

- (a) To monitor and oversee the City of London Corporation's risk management strategy, anti-fraud and anti-corruption arrangements; and to be satisfied that the authority's assurance framework properly reflect the risk environment.

- (b) To consider all audit or external inspection reports relating to any department at the City of London Corporation and seek assurance that action has been taken where necessary.
- (c) To receive an annual report from the Chamberlain reviewing the effectiveness of the City of London's risk management strategy.
- (d) To consider and report back to the Court on any risks related to all governance issues.



City of London Corporation

**REPORT TO THOSE CHARGED WITH GOVERNANCE
JANUARY 2016**

Bridge House Estates, City's Cash, City's Cash Trusts, the Corporations Sundry Trusts & Other Accounts

External Audit Strategy & Planning Report on the 2015-16 Financial Statements

Contents

External Audit Strategy & Planning Report on the 2015-16 Financial Statements

	Page
1. Introduction	3
2. Scope of our audit	4
3. Our audit approach	6
4. Findings from the audit	8
5. Significant risks	10
6. Changes to accounting standards	12
7. Audit timetable, fees & our team	14
Appendix 1 – Entities Covered by the Plan	16
Appendix 2 – Charities SORP FRS 102 Statement of Financial Activities	18

1 Introduction

The City of London Corporation has appointed Moore Stephens as external auditors to Bridge House Estates, City's Cash, City's Cash Trusts, the Corporation's Sundry Trusts & other accounts, for the four year period 2013-14 to 2016-17. A full list of the charities and entities covered by this plan is included in Appendix 1. This document comprises our audit strategy and approach for the 2015-16 external audit, the third year of our appointment.

Our audit is designed to allow us to give an opinion on whether the financial statements are 'true and fair' and where applicable have been prepared in accordance with the requirements of United Kingdom Generally Accepted Accounting Practice (UK GAAP) and the Charities Act 2011 as appropriate. For accounting periods commencing on or after 1 January 2015, UK GAAP has been updated with the Financial Reporting Standards – FRSs 100, 101, 102 and 103. As a consequence of the updated FRSs, The Charities SORP has also been updated. All entities will produce accounts under the new reporting framework in 2015-16.

1.1 Purpose of the plan

The plan sets out the ways in which the City of London Corporation's City's Cash and the Corporation's charities and Moore Stephens will meet their respective responsibilities. The plan summarises:

- the responsibilities of the Corporation and the auditors;
- our audit approach to the audit;
- our assessment of key risk areas facing City's Cash and the Corporation's charities, and the impact of these risks on our audit;
- our liaison with internal audit;
- our timetable and the fee for the audit; and
- background to the Moore Stephens audit team.

1.2 Adding value through the audit

All of our clients quite rightly demand from us a positive contribution to meeting their ever-changing business needs.

We hope that our audit work will add value to the Corporation by being constructive and forward looking, by identifying areas of improvement and by recommending and encouraging good practice. In this way we aim to help the Corporation promote improved standards of governance, better management and decision making and more effective use of public money. To this end we have already engaged with the Corporation to understand how we, and the Corporation, can work more effectively to improve our service during the 2015-16 audit.

Any comments you may have on the service we provide would be greatly appreciated.

1.3 Actions for the Audit and Risk Management Committee

The Audit and Risk Management Committee is invited to consider and discuss:

- whether our assessment of the risks of material misstatement to the financial statements are appropriate and complete;
- our proposed audit plan to address these risks; and
- whether the financial statements could be materially misstated due to fraud, and communicate any areas of concern to management and the audit team.

Nick Bennett

Partner

nick.bennett@moorestephens.com

Moore Stephens LLP

2 Scope of our work

2.1 Introduction

We set out below an outline of the nature and scope of the work we propose to undertake and the form of the report we expect to make, including where relevant, any limitations thereon.

As you are aware, we issue an opinion at the end of the audit as to whether the financial statements give a true and fair view of the state of affairs at the period end, of the results for the period then ended, and that the financial statements have been properly prepared in accordance with accounting standards and underlying legislation.

It is the responsibility of management and those charged with governance to prevent and detect fraud. In planning and performing the audit we need to consider the risk of material misstatement in the financial statements, including that due to fraud. We have made initial enquiries of management with regard to their assessment of the risk that the financial statements may be materially misstated due to fraud. The assessment of risk will be re-confirmed as part of our audit completion procedures before forming our opinion on the financial statements.

Consequently, we consider the risk of your financial statements being misstated and/or not being prepared in accordance with accounting standards and underlying legislation. We then direct our work toward areas of the accounts which could contain material misstatements. Auditors do not examine every item in a group of transactions or balances but instead select a sample of those transactions or balances for examination. The level of testing we carry out is based on our assessment of risk. We also document and review your systems, partly to confirm they form an adequate basis for the preparation of the accounts, but also to identify the controls operated to ensure the completeness and accuracy of the data.

2.2 Scope of the Audit

Our audit of the financial statements will be conducted in accordance with International Standards on Auditing (UK and Ireland) (ISAs (UK and Ireland)). These standards represent best practice in auditing, thereby increasing public confidence in the audit process.

As part of the audit we will review the information published with the financial statements, including information contained in each of the Trustee's Annual Reports. We will report to you if, in our opinion the published information given is inconsistent in any material respect with the financial statements.

2.3 Respective Responsibilities

In line with ISAs (UK and Ireland) we are required to agree the respective responsibilities of the City of London Corporation and Moore Stephens. These responsibilities are set out in our Letter of Engagement dated November 2013. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

2.4 Trustee's Responsibilities for the Corporation's charities

The Trustee is responsible for preparing the Trustee's Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards - FRS 102.

The law applicable to charities in England & Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources of the charity for that period. In preparing these financial statements, the Trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the charity's governing document. It is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

2.5 Corporation of London responsibilities for City's Cash

The City of London Corporation is responsible for preparing the City's Cash financial statements in accordance with United Kingdom Accounting Standards - FRS 102. It is also responsible for keeping proper accounting records and safeguarding assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

2.6 Report on matters by exception

Moore Stephens is also obliged to report on a number of matters by exception. These include whether adequate accounting records have been kept, and whether all information required for the audit has been provided.

2.7 Accounting estimates and related parties

ISAs (UK and Ireland) require us to consider the risk of material misstatement in respect of accounting estimates made by management. We have considered whether any significant risks exist and these are set out in the Significant Risk section of this report. We will work with management to identify any accounting estimates that may be made and we will assess whether any of these pose a significant risk of material misstatement.

We are also required to perform audit procedures to identify, assess and respond to the risks of material misstatement that may arise from failure to account for or disclose related party relationships appropriately.

Other matters

2.8 Materiality

Materiality is an expression of the relative significance of a matter in the context of the annual accounts as a whole. A matter is material if its omission or misstatement would reasonably influence the decisions of an addressee of the auditor's report. The assessment of what is material is a matter of professional judgement over both the amount and the nature of the misstatement. Our initial calculation of materiality for the entities and funds covered by this plan is included in Appendix 1.

We set a performance (testing) materiality for each area of work which is based on a risk assessment for the area. We will perform audit procedures on all transactions, or groups of transactions, and balances that exceed our performance materiality. This means that we perform a greater level of testing on the areas deemed to be of significant risk of material misstatement. Where the area risk assessment is high, a lower performance materiality is applied, which in turn increases the sample size applied to testing.

Area risk assessment	Percentage of materiality applied
High	40% - 50%
Medium	50% - 60%
Low	60% - 75%

We will report any misstatements identified through our audit that fall into one of the following categories:

- All material corrected misstatements;
- Uncorrected misstatements with a value in excess of 1% of the overall materiality figure; and
- Other misstatements below the 1% threshold that we believe warrant reporting on qualitative grounds.

2.9 Independence

Moore Stephens complies with relevant ethical requirements regarding independence and has developed safeguards and procedures in order to ensure our independence and objectivity.

We will reconfirm our independence and objectivity to the Audit and Risk Management Committee following the completion of the audit.

3 Our audit approach

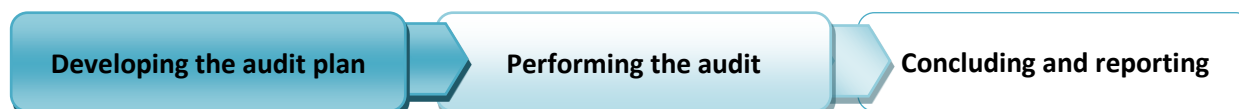
3.1 We plan to address significant risks of material misstatement in the financial statements

Our approach to the audit of financial statements uses a range of techniques to obtain audit evidence and assurance and is based on a thorough understanding of the organisation.

This understanding allows us to develop an audit strategy which focuses on addressing specific risks whilst providing an acceptable level of assurance across the financial statements as a whole.

3.2 Outline of our general audit approach

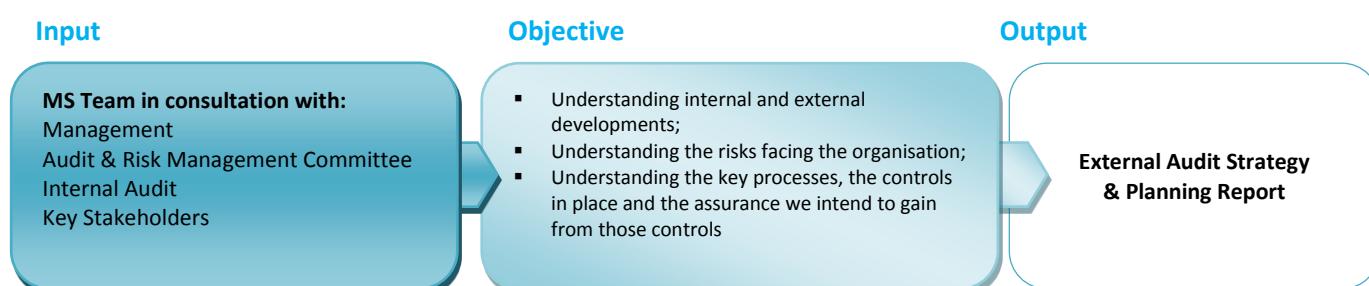
Our audit of the financial statements can be split into three phases:



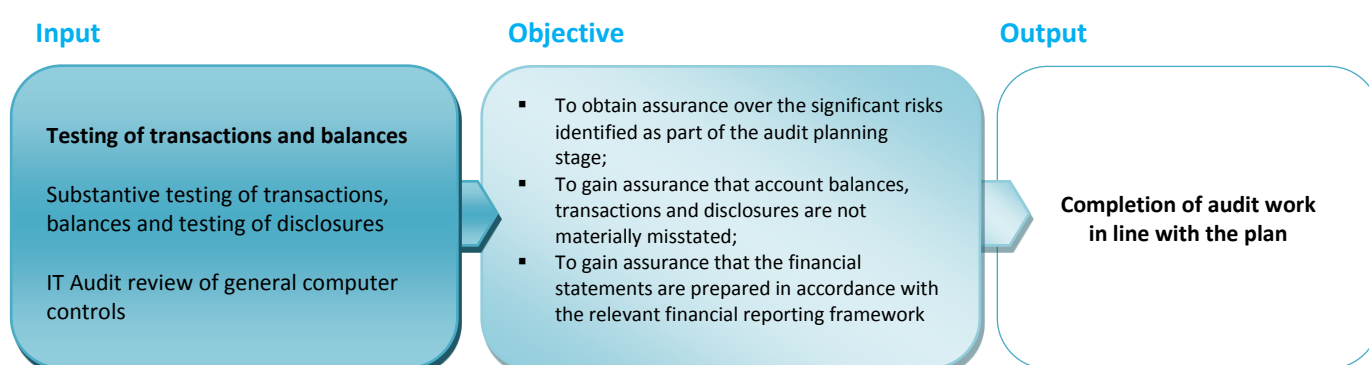
An overview of the inputs into each of the three audit approach phases, the work we undertake and our planned outputs is provided below.

3.3 The three phases of the audit

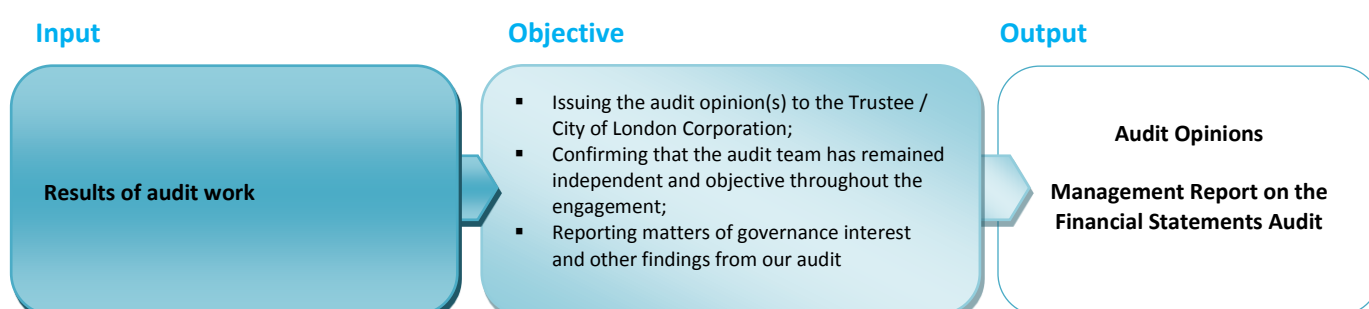
1. Developing the audit plan



2. Performing the audit



3. Concluding and reporting



3.4 Using the work of internal audit

We will liaise closely with internal audit throughout the audit process and seek to take assurance from their work where their objectives cover areas of joint interest. We also carry out a review of the internal audit structure and function in accordance with International Standard on Auditing (UK and Ireland) 610. We will review internal audit's plans and aim to place reliance where the nature, timing and work performed is suitable to support our opinion.

In addition, our IT audit work will seek to gain assurance from any IT work performed by Internal Audit.

3.5 Error reporting threshold

For reporting purposes, we will treat any misstatements below 1% of materiality in each individual account as "trivial", subject to a de-minimis limit of £1,000, and therefore not requiring consideration by the Audit and Risk Management Committee. Please note that this is a separate threshold to our consideration of materiality by value, which is used in forming the audit opinion.

4 Findings from the audit

We expect to communicate the following to you:

4.1 Proposed modifications to our report

As you would expect, we will discuss any proposed modifications to our report with you to ensure that you are aware of the proposed modification and the reasons for it. This will also ensure that there are no disputed facts and enable you to provide us with further information and explanations in respect of any matters giving rise to the proposed modification.

4.2 Uncorrected misstatements detected by us

As you are aware, when misstatements identified by us are not corrected we communicate all such uncorrected misstatements, other than those we believe are trivial, to you and request you make the corrections. Where you do not wish to make some or all of the corrections, we shall discuss with you the reasons for, and the appropriateness of, not making those corrections, having regard to qualitative as well as quantitative considerations, and consider the implications for our report of the effect of misstatements which remain uncorrected. We would also consider whether there are any uncorrected misstatements that should be communicated to the Trustee. We are required to obtain a written representation from the Trustee that explains your reasons for not correcting any misstatements brought to your attention by us. A summary of uncorrected misstatements will be included in, or attached to, a letter from you of representations made orally to us.

4.3 Significant findings from the audit

We will report to you any observations we may have regarding your systems and other appropriate matters. This report will focus on significant deficiencies that have come to our attention in the course of the audit and therefore will not necessarily cover all of the weaknesses that may exist in the system.

During the course of our audit, we consider the qualitative aspect of the accounting practices, including accounting policies, accounting estimates and financial statement disclosures, including items that have a significant impact on the relevance, reliability, comparability, understandability and materiality of the information provided by the financial statements. We would discuss, as necessary, the following items with senior management and the Audit and Risk Management Committee:

- The appropriateness of the accounting policies to the particular circumstances;
- The timing of transactions and the period in which they are recorded;
- The appropriateness of accounting estimates and judgements (for example, in relation to provisions) including the consistency of assumptions and degree of prudence reflected in the accounting records;
- The potential effect on the financial statements of any uncertainties including significant risks and disclosures, such as pending litigation, which are required to be disclosed in the financial statements;
- Material uncertainties related to events and conditions that may cast significant doubt on the ability to continue as a going concern;
- The extent to which the financial statements are affected by any unusual transactions during the period and the extent to which such transactions are separately disclosed in the financial statements;
- Any apparent misstatements in the Trustee's report or material inconsistencies between the reports and the audited financial statements;
- Disagreements about matters that, individually or in aggregate, could be significant to the financial statements or the auditor's report. These communications include consideration of whether the matters have or have not been resolved and the significance of the matters;
- Significant difficulties, if any, encountered during the audit;
- Significant matters, if any, arising from the audit that were discussed, or subject to correspondence with management; and
- Written representations we are requesting from management.

If, during the audit, we identify a fraud or obtain information that indicates a fraud may exist, we shall communicate this to you on a timely basis in order to assist you with your responsibility as regards the prevention and detection of such frauds.

We trust that this approach to the above matters is helpful to you.

4.4 Third parties interested in communications to those charged with governance

Occasionally you may wish to provide third parties, for example bankers, with copies of a written communication from ourselves. We need to ensure that any third parties that see any such communications understand that they were not prepared with them in mind. Therefore, we will normally state in our communications that the report has been prepared for the sole use of the City of London Corporation. It should not be disclosed to a third party, or quoted or referred to without our written consent and no responsibility is assumed by us to any other person. Consequently, we expressly disclaim any liability, howsoever arising, to third parties.

5 Significant risks

5.1 Risks of material misstatement in the financial statements

As part of our planning, we have held meetings with senior management to discuss their perception of the risks Bridge House Estates, City's Cash, City's Cash Trusts, the Corporation's Sundry Trusts & other accounts currently face. From this we have identified areas of significant audit risk and also areas where we consider that there are risk factors, either of material misstatement or to the delivery of the audit.

5.2 Significant issues identified during our audit fieldwork

Significant risks are identified as assessed risks of material misstatement that, in the auditor's judgment, require special audit consideration. Under International Standard on Auditing (UK and Ireland) 240, there are two presumed significant risks of material misstatement – fraud arising from management override of controls; and fraud in revenue recognition. Our initial planning work and discussions with the City of London Corporation senior finance team have not identified any additional significant audit risks.

Significant audit risk	Audit response
Revenue recognition (All funds and entities) Under International Standard on Auditing (UK and Ireland) 240, there is a presumed, albeit rebuttable, significant risk of fraud in revenue recognition. We consider this risk cannot be rebutted for income in all organisations.	Our work will include: <ul style="list-style-type: none"> documenting, evaluating and testing the controls which ensure income is completely and accurately recorded, specifically reviewing investment income and rental income from investment properties; performing substantive testing of all income stream transactions, including significant or unusual transactions; and reviewing the accounting treatment and disclosure of income to ensure that it is in accordance with FRS 102 and the Charities SORP (FRS 102).
Management override (All funds and entities) Under International Standard on Auditing (UK and Ireland) 240, there is a presumed significant risk of material misstatement owing to fraud arising from management override of controls.	Our work will include (but shall not be limited to): <ul style="list-style-type: none"> focussed testing of journals incorporating CAATs; review and recalculation of estimates; and review of any significant or unusual transactions in the year.
FRS 102 (All funds and entities) For accounting periods commencing on or after 1 January 2015, UK GAAP has been updated with the Financial Reporting Standards – FRSs 100, 101, 102 and 103. As a consequence of the updated FRSs, The Charities SORP has also been updated. All entities will produce accounts under the new reporting framework in 2015-16.	Our work will include: <ul style="list-style-type: none"> discussions with management on the impact of the changes on the 2015-16 accounts. review of 2014-15 comparatives to ensure they comply with FRS 102 and the Charities SORP (FRS 102) review of 2015-16 annual report and accounts to ensure accounting policies and disclosures comply with FRS 102 and Charities SORP (FRS 102).

Significant audit risk	Audit response
<p>Hampstead Heath Ponds (City's Cash Trusts and City's Cash)</p> <p>During the 2014-15 financial year, a Judicial Review found in favour of the City of London Corporation and as a consequence work has begun at Hampstead Heath Ponds. Initial costs were recorded and capitalised where appropriate up to 31 March 2015. Work on the main contract, which is expected to take 18 months and is worth approximately £14.69m has commenced and will continue during 2015-16. We therefore expect to see significant capital spend in the Hampstead Heath accounts.</p>	<p>Our work will include:</p> <ul style="list-style-type: none"> discussion with officers and review of supporting documentation to assess and agree the accounting treatments and disclosures made in the financial statements; and reviewing and considering the disclosures made in the financial statements to ensure that they remain appropriate and in line with FRS 102 and are materially correct. confirming that spend on the project has been correctly classified.
<p>Investment Property Transactions (Bridge House Estates and City's Cash)</p> <p>The Corporation holds a significant portfolio of investment properties. These investments bring about associated risks including that of disclosure, accounting and revaluation.</p> <p>Given the high values associated with investment property transactions, they carry a higher risk of material misstatement.</p>	<p>Our work will include:</p> <ul style="list-style-type: none"> agreeing property valuations to external and city surveyor's supporting documentation. review of movements in year and discussions with surveyors to ensure they are in line with expectations of the market. review of supporting documentation to assess and agree the accounting treatments and disclosures made in the financial statements.

5.3 Other risk factors

Further to the identification of significant audit risks, we have also identified risk factors which could potentially result in material misstatements. We do not propose, at this stage, to undertake specific audit procedures in response to these perceived risks. We will continue to monitor these areas during the year and adapt our audit approach as necessary.

Risk factor	Audit response
<p>Crossrail contribution (City's Cash)</p> <p>The 2014-15 City's Cash accounts recognised a commitment in the financial statements, with expected payment in the 2018-19 and 2019-20 financial years.</p>	<p>Our work will include:</p> <ul style="list-style-type: none"> discussion with officers and review of supporting documentation to assess and agree the accounting treatments and disclosures made in the financial statements; and reviewing and considering the disclosures made in the financial statements to ensure that they remain appropriate and in line with FRS 102 and are materially correct.
<p>Non-Property Investment Transitions (Bridge House Estates and City's Cash)</p> <p>We understand that the City of London Corporation has made a number of fund manager changes during the year. Namely, the Southeastern mandate has been replaced with Majedie and the GMO mandate has been replaced with Majedie and Lindsell Train.</p>	<p>Our work will include:</p> <ul style="list-style-type: none"> discussion with officers and review of supporting documentation to assess and agree the accounting treatments and disclosures made in the financial statements; and confirming that the transactions pre-and post-transfer are accounted for appropriately.

We will review the other accounting systems and management controls only as far as we consider necessary to perform an effective audit. As a result, our review may not detect all deficiencies or all improvements that could be made. Where we do uncover any significant deficiencies or weaknesses we will report these to you, with our recommendations for improvements.

6 Changes to accounting standards

In 2015, FRSs 100, 101, 102 and 103 replaced the old UK GAAP, with 2015-16 being the first year that the City of London Corporation is required to reflect the new standards. As a consequence of the updated FRSs, the Charities SORP has also been updated and is applicable to the 2015-16 Corporations' charities accounts. The new standards are a step closer to IFRS and are a significant change in both the reporting structure of the primary financial statements and the language and terminology used.

The major changes which will affect the Corporation are set out below:

6.1 FRS 102

An important change on adoption of FRS 102 is the change in format and titles of primary statements:

UK GAAP	FRS 102
Profit and Loss Account	Income statement
Statement of total recognised gains and losses	Other comprehensive income
Balance sheet	Statement of financial position
Cash flow statement	Statement of cash flows

The statement of cash flows have been substantially shortened and presented under three headings, as opposed to the current UK GAAP presentation of nine headings. Therefore the comparative 2014-15 figures will need to be reclassified into the following headings:

- Operating activities - essentially the 'default' category, encompassing all cash flows that do not fall within investing or financing activities, and are the day-to-day revenue-producing activities.
- Investing activities - those activities that involve the acquisition and disposal of long-term fixed assets.
- Financing activities - those that change the equity and borrowing composition of the Corporation's entities.

Changes in the value of investment properties are now recognised as 'fair value through profit and loss', which requires the movement in value to be shown on the face of the Income Statement, as opposed to being recognised in the revaluation reserve and the Statement of Total Recognised Gains and Losses. This is likely to cause volatility in the income levels shown on the face of the Statement of Comprehensive Income as it will fluctuate with the property market. Coupled with the requirement to also show the change in value of managed investments as 'fair value through profit and loss', there are likely to be significant fluctuations in the Income Statement from 2015-16 onwards.

As required under IFRS, entities applying FRS 102 will have to accrue for holiday pay untaken by staff at the financial year end, where deemed material.

6.2 Charities SORP

The purpose of the Charities SORP FRS 102 is to provide guidance on how charities apply FRS 102 and therefore it follows the updated requirements of FRS 102 along with additional requirements.

An exemption is available under the Charities SORP FRS 102 for smaller entities that reduces the required disclosures in a number of areas, including the requirement to produce a Statement of Cash Flows. This exemption will be applied to all charities apart from the larger entities - Bridge House Estates, Epping Forest and Hampstead Heath.

As with FRS 102, there are changes to the names of the primary statements, with the Statement of Financial Activity (SoFA) remaining, but being re-ordered and reclassified. Governance costs are now allocated across a number of headings, as opposed to being a separate line on the SoFA. There are also a number of changes in terminology which have been referred to in Appendix 2 to this report.

Charities SORP FRS 102 requires a number of additional disclosures in the Annual Report although a number of these are already provided in annual reports of the City's charities. The additional disclosures include:

- an explanation of any policy for holding reserves, stating the amount of these reserves and why they are held, including reasons as to why the Trustees may have decided that holding reserves is unnecessary;
- charities that make grants to institutions must disclose details of a sufficient number of these institutional grants so the user of the accounts can develop an understanding of the range of institutions the charity has supported – the disclosure must include all grants made to each institution when these are material in the context of the charity's total charitable expenditure;
- the report must also include an explanation of the use the charity makes of social investments when this forms a material part of its charitable and investment activities, including an explanation of its social investment policies and explain how any programme related investments contributed to the achievement of its aims and objectives;
- the report must comment on significant events that have affected the financial performance and financial position of the charity during the reporting period;
- the report must include a description of the principal risks and uncertainties facing the charity and its subsidiaries, together with a summary of the plans and strategies for managing those risks; and
- the report must disclose the arrangements for setting the pay and remuneration of the charity's key management personnel and any benchmarks, parameters or criteria used in setting their pay.

As for FRS 102, changes in value of investment properties and managed investments are treated as 'fair value through profit and loss', which requires them to be shown on the face of the SoFA whereas previously they would have been shown through the Statement of Total Recognised Gains and Losses. Again, we expect that Bridge House Estates and Hampstead Heath Trust in particular, will show volatility in income levels from 2015-16 onwards as a result of this change.

The SORP requires charities to recognise income when it is 'probable', as opposed to when it is virtually certain under SORP 2005. This may bring forward the recognition of income.

The SORP also now allows income from contracts to be classified as restricted if a contract specifically requires all income received under it to be spent on a particular purpose. This differs from SORP 2005 whereby only voluntary income was allowed to be recognised in this way.

7 Audit timetable, fees & our team

7.1 Audit timetable

The timetable set out in this section has been agreed in discussion with management during audit planning. Those dates with an asterisk are still to be confirmed.

Item	Timing	Responsibility	
All Funds and Entities			
Audit planning meeting	21 December 2015	All	
Audit planning visit (5 days fieldwork)	w/c 11 January 2016	Moore Stephens	
Audit planning report presented to the Audit and Risk Management Committee	26 January 2016	Moore Stephens	
Interim audit visit (5-8 days fieldwork)	March 2016	Moore Stephens	
Delivery of the 2015-16 Accounts to Moore Stephens	Sundry and Other Trusts Bridge House Estates Open Spaces City’s Cash	30 May 2016 13 June 2016 20 June 2016 1 August 2016	City of London Corporation
Final audit visit commences	Sundry and Other Trusts Bridge House Estates Open Spaces City’s Cash	6 June 2016 20 June 2016 27 June 2016 15 August 2016	Moore Stephens
All Funds and Entities			
Final audit completion meeting with management	30 September 2016	All	
Audit Review Panel Meeting	7 October 2016	Audit Review Panel	
Audit Panel meeting with the Chamberlain	w/c 10 October 2016	City of London Corporation	
Audit and Risk Management Committee to consider Annual Report and Accounts and Audit Completion Reports	8 November 2016	City of London Corporation	
Finance Committee to approve the accounts	15 November 2016	City of London Corporation	
Chamberlain signs accounts	w/c 21 November 2016	Chamberlain	
Signed accounts delivered to Moore Stephens for Audit Certificates to be signed	w/c 21 November 2016	Moore Stephens	

7.2 Audit fee

The fee for the 2015-16 of the of the bodies covered by this document was agreed following a tender process and amounts to £115,000.

Completion of our audit in line with the timetable and fee is dependent upon:

- City of London Corporation delivering a complete Annual Report and Accounts of sufficient quality that have been subject to appropriate internal review on the date agreed;
- City of London Corporation delivering good quality supporting evidence and explanations within the agreed timetable; and
- Appropriate City of London Corporation staff being available during the audit.

The fee does not incorporate additional work to be performed on the audit of the restated 2014-15 accounts for all entities. We are negotiating a fee with City of London and will bring this to the attention of the Audit and Risk Management Committee in due course.

If significant issues arise and we are required to perform additional work which would result in a change in our fee, we will discuss this with you as soon as possible.

7.3 Key audit staff

Moore Stephens Partner	Nick Bennett Tel: 020 7651 1805 E-mail: nick.bennett@moorestephens.com	Nick will have overall responsibility for the audit opinions on Bridge House Estates, City's Cash, City's Cash Trusts and Sundry Trusts and other accounts, and for the City of London contract with Moore Stephens LLP. Nick will attend Audit & Risk Management Committee meetings as appropriate.
Moore Stephens Associate Director	Lucy Nutley Tel: 020 7651 1530 E-mail: lucy.nutley@moorestephens.com	Lucy will have overall responsibility for the audits of all entities but be responsible specifically for the audits of City's Cash and City's Cash Trusts. Lucy along with Tharshiha will be the main day-to-day contact with finance staff. She will manage the on-site audit staff, review audit working papers and be responsible for resolving key audit issues. Lucy will attend Audit & Risk Management Committee meetings as appropriate.
Moore Stephens Manager	Tharshiha Thayabaran Tel: 020 7651 1523 E-mail: tharshiha.thayabaran@moorestephens.com	Tharshiha will be responsible for the audits of Bridge House Estates and Sundry Trusts and other accounts. Tharshiha along with Lucy will be the main day-to-day contact with finance staff. She will manage the on-site audit staff, review audit working papers and be responsible for resolving key audit issues.

7.4 Confirmation of independence

Ethical Standard 1 – *integrity, objectivity and independence*, issued by the Auditing Practices Board (APB), requires that external auditors ensure that the Audit and Risk Management Committee is appropriately informed on a timely basis of all significant facts and matters that bear upon the auditors' objectivity and independence.

We confirm that we will comply with APB Ethical Standards throughout our audit and that, in our professional judgement, there are no relationships between our firm and the City of London Corporation which need to be brought to your attention because they may impact on the independence and objectivity of the audit team.

Appendix 1 – Entities Covered by the Plan

The list of entities which are covered by this document are included in the table below. We have included in the table incoming resources, surplus/deficit and net assets based on 2014-15 accounts along with our initial assessment of materiality. Materiality has been calculated based on either the net assets of the entity or incoming resources and will be revisited as part of our final audit of the financial statements.

Activities (Taken from 2014-15 Accounts)	Incoming Resources £'000	Surplus/ (Deficit) £'000	Net Assets £'000	Indicative Materiality £'000
Bridge House Estates	92,600	51,000	1,141,700	1,500
City's Cash	199,300	44,900	2,069,400	13,000* 2,000*
City's Cash Trusts				
Ashted Common Preservation of the common at Ashted	536	-	-	8
Burnham Beeches and Stoke Common Preservation of the Open Space know as Burnham Beeches	902	(18)	803	14
Epping Forest Preservation of Epping Forest in perpetuity	7,537	1,420	8,193	98
Hampstead Heath Preservation of Hampstead Heath for the recreation and enjoyment of the public	11,318	2,586	35,362	131
Highgate Wood and Queens Park Kilburn Preservation of the Open Space known as Highgate Wood and Queens Park Kilburn	1,333	(16)	431	20
Sir Thomas Gresham Charity Provision of Almshouses and public lectures at Gresham College	79	-	1	1
West Ham Park Preservation of the open space known as West Ham Park	1,418	(76)	74	22
West Wickham Common and Spring Park Coulsdon & Other Commons Preservation of West Wickham Common and Spring Park Wood, and Coulsdon and Other Commons	1,448	62	74	21
Sundry Trusts	8	5	256	5
Ada Lewis Winter Distress Fund Providing relief and support during winter months				
Charities Administered ICW the City of London	10	4	173	2
Freemen's School Promotion of education through prizes				
City Educational Trust Fund Advancement of education through grants	-	-	6	51
City of London Almshouses Almshouses for poor or aged people	370	46	1,599	39
City of London Corporation Combined Education Charity Advancing education by the provision of grants and financial assistance	40	(8)	1,099	22
City of London Corporation Relief of Poverty Charity Relief of poverty for widows, widowers or children of a Freeman of the City of London	4	(7)	153	2
City of London Freeman's School Bursary Fund Promotion of education through bursaries	43	20	805	12

Activities (Taken from 2014-15 Accounts)	Incoming Resources £'000	Surplus/ (Deficit) £'000	Net Assets £'000	Indicative Materiality £'000
Sundry Trusts (continued)				
City of London School Bursary Fund Promotion of education through bursaries, scholarships and prizes	136	62	3,484	50
City of London School Education Trust Advancing education	-	-	6	1
City of London School Girls Bursary Fund Promotion of education through bursaries, scholarships and prizes	669	(39)	3,920	58
Corporation of London Charities Pool Investments pool for Sundry Trusts	1,984	1,021	22,698	334
Emmanuel Hospital Payment of pensions and financial assistance to poor persons	84	16	2,363	34
Guildhall Library Centenary Fund Provision of education and training in library, archives, museum, and gallery services	1	1	24	1
Hampstead Heath Trust To meet a proportion of the maintenance cost of Hampstead Heath	1,331	(21)	30,723	633
Keats House Maintenance of Keats' House	456	-	201	5
King George's Field Open space for sports, games and recreation	13	-	-	1
Samuel Wilson's Loan Trust Granting of low interest loans to young people who have or are about to set up in business	73	31	2,167	43
Signore Pasquale Favale Bequest Granting of assistance to eligible persons in the form of marriage portions	-	-	13	1
Sir William Coxen Trust Fund Granting of assistance to eligible charitable trusts in the form of donations	117	(86)	2,662	54
Vickers Dunfee Memorial Benevolent Fund Financial assistance to distressed past and present members of the CoL Special Constabulary and their dependents	6	6	205	4

* City's Cash holds significant property and managed investments, which form the largest part of the balance sheet. We consider that the balance sheet is of primary interest to the reader of the financial statements (Members of the City of London Corporation) and therefore consider that £13m is a suitable value for materiality. While the balance sheet is of primary interest to the reader of the financial statements, we consider that a misstatement at the level of materiality of £13m, or even at half the level of materiality above, would be highly material to the income and expenditure account and therefore of greater interest to the reader of the accounts. Therefore, we will apply a materiality level to income and expenditure transactions of a lower value to reduce the risk of material misstatements.

Appendix 2 – Charities SORP FRS 102 Statement of Financial Activities

The table below shows the new terminology and layout of the Statement of Financial Activities, against the comparative SORP 2005 layout.

Charities SORP FRS 102 Extract		Comparative SORP 2005 Extract	
Donations and legacies	x	Voluntary income	x
Other trading activities	x	Activities for generating funds	x
Income from investments	x	Investment income	x
Income from charitable activities	x	Incoming resources from charitable activities	x
Other income	x	Other incoming resources	x
Total income and endowments	x	Total incoming resources	x
Expenditure on raising funds	(x)	Costs of generating voluntary income	(x)
Expenditure on charitable activities	(x)	Fundraising trading: costs of goods sold	(x)
Other expenditure	(x)	Investment management costs	(x)
Total expenditure	(x)	Resources expended on charitable activities	(x)
		Governance costs	(x)
		Other resources expended	(x)
			(x)
Net gains / (losses) on investments	x/(x)		
Net income / (expenditure)	x/(x)	Net incoming/(outgoing) resources before transfers	x/(x)
Transfers between funds	-	Gross transfers between funds	-
Gains / (losses) on revaluation of fixed assets	x/(x)	Gains/losses on revaluation of fixed assets for charities own use	x/(x)
Actuarial gains / (losses) on defined benefit pension schemes	x/(x)	Gains / (losses) on investment assets	x/(x)
Other gains / (losses)	x/(x)	Actuarial gains / (losses) on defined benefit pension schemes	x/(x)
Net movement in funds	x/(x)	Net movement in funds	x/(x)

This page is intentionally left blank

Committee(s)	Dated:
Audit and Risk Management Committee	26/01/2016
Subject: Internal Audit Update Report	Public
Report of: Head of Internal Audit and Risk Management	For Information
Report author: Chris Harris – Head of Internal Audit and Risk Management	

Summary

This report provides an update on internal audit activity since the September 2015 Committee. It also sets out the overall opinion of the Head of Internal Audit in relation to the adequacy and effectiveness of the control environment for those areas of internal audit work concluded since the last update report to Committee. The opinion is that the overall internal control environment is adequate and effective although some areas require strengthening.

The outcomes of the internal audit work finalised since the last Committee are summarised in Appendix 1. Ten assurance reviews have been finalised since the last report. There were no Red assurance reviews. Six reviews resulted in Amber assurance opinions and four in Green assurance opinions. Both Amber and Green opinions represent adequate control environments.

As at 05 January 2016, 49% of the 2015-16 internal audit plan had been completed to final and draft report stage. Although this is fewer than expected, a further 26% of reviews are in progress. In addition to the four IT reviews outsourced to RSM, a further five reviews have been outsourced to provide additional resources and the internal audit plan is expected to be completed by 31 March 2016.

Audit follow up work demonstrates that the performance of the Corporation of London in implementing recommendations is generally effective with no Red recommendations outstanding which should have been implemented. 72% of the 29 Amber recommendations followed up had been implemented with a further 14% partially implemented. 14% of the recommendations had not yet been implemented but plans are in place to implement them and future progress will be reported to the Committee

Recommendation

Members are asked to note the update report.

Main Report

Background

1. This report sets out internal audit activity since the last report to Committee and the opinion of the Head of Internal Audit and Risk Management in relation to the adequacy and effectiveness of the control environment.

Current Position

2. The outcomes of the internal audit work finalised since the last update to Committee have been reported in Members' briefings. Ten assurance reviews have been finalised since the last report. There were no Red assurance reviews reported. Six reviews resulted in Amber assurance opinions and four in Green assurance opinions. Both Amber and Green opinions represent adequate control environments.
3. In addition to Amber and Green Assurance reports, a further four advisory reviews have been completed in respect of, contract variations, compensation claims, the Mansion House plate review and Guildhall Club accounts, which all had satisfactory outcomes.
4. No fundamental control failings that need to be brought to the attention of Members have been identified from the work performed to date in the 2015-16 plan. However, we have noted a number of amber priority recommendations have been raised throughout reports relating to evidencing various checking control tasks performed; such as manager approval, reconciliations and independent review. All of these recommendations will be followed up.

Internal Audit Section Performance and Delivery

5. Some improvement in the speed of delivery of audits is required and changes in working practices have been implemented to ensure the plan is delivered on time. Completion of the 2015-16 audit plan to final and draft report stage was 49% at 07 January 2016, which is below expected performance. However, a further 26% of the planned audits are in progress and there are sufficient resources to complete the remainder of the plan by 31 March 2016. Delivery is broadly in line with performance at the same stage last year.
6. Details of performance levels against targets are set out below:

Performance Indicators

Performance Measure	Target	Actual
1. Completion of the audit plan	100% of planned audits completed to draft report stage by end of plan review period (31 March 2016)	49%
2. Percentage (%) recommendations confirmed fully implemented at time of formal follow up	Red – 100% Amber – 80%	Red – n/a Amber – 72%*
3. Timely production of draft report	Average time taken to issue draft reports from end of fieldwork. Target 28 days.	18 days
4. Timely response to draft report	Average time taken to obtain a full management response. Target 28 days from issue of draft report.	48 days**
5. Timely issue of final report	Average time taken to finalise the review following full I response from management. Target 7 days.	18 days***
6. Customer satisfaction	Through key question on post audit surveys – target 90%	100%
7. Percentage (%) of audit section staff with relevant professional qualification	Target 75%	78%

*Note – A further 14% were established to be partially implemented.

**Distorted due to a significantly long time to obtain a response to two reports, although management did keep us updated on delays. Expected to improve significantly by end of the financial year

*** Affected by a number of responses being received just before the Christmas break. Expected to improve significantly by end of the financial year.

Implementation of Audit Recommendations

- There are no Red recommendations outstanding beyond their due implementation dates. Follow up work since the last Committee has examined the implementation of 29 Amber recommendations. Of the 29 amber recommendations followed up we concluded that 21 (72%) had been fully implemented, 4 (14%) had been partially implemented and 4 (14%) had not yet been implemented. In the case of those that had not been implemented yet, plans are in place to resolve the issues and implementation will be reported to Members at a future meeting.

Conclusion

- Internal Audit's opinion of the City's overall internal control environment is that it remains adequate and effective although some areas of the financial and operational framework do require strengthening by management as identified in Amber reports highlighted to the Committee in Members' Briefings.

Appendices

- Appendix 1 – Progress against the internal audit plan 2015-16

Chris Harris

Head of Internal Audit and Risk Management

T: 07800 513179

E: chris.harris@cityoflondon.gov.uk

Internal Audit Work 2015-16 (as at 07 January 2016)

This appendix complements the summary outcome of final reports as presented above.

Progress against the plan – Summary

No of Reviews	Fieldwork	Draft Report	Final Report
72	14	15	20
	19%	21%	28%

Progress against the plan – Detail

No	Department	Main Audit Review	Status**	Assurance ***	Recommendations Made***				Recommendations Agreed***			
					R	A	G	Total	R	A	G	Total
1	Corporate	Business Continuity & Disaster Recovery	Draft									
2	Corporate	Cyber Security Committee Report – <i>replaces Information Governance and Security</i>	FINAL	n/a	n/a				n/a			
3	Corporate	Health & Safety	FINAL	Amber	0	2	2	4	0	2	2	4
4	Corporate	Vetting of Staff										
5	Corporate	COSO - Entity Wide Control Environment										
6	Corporate	Procurement										
7	Corporate	Petty Cash	Draft									
8	Corporate	Cash Income Collection and Banking	Draft									
9	Corporate	Expenses	Draft									
10	Corporate	Pre Contract Appraisal	<i>Draft TOR</i>									
11	Corporate	Liquidations	Fieldwork									
12	Corporate	Follow Ups										
13	Corporate	Physical Access Security to Guildhall										
14	Chamberlain	Main Accounting System - GL / AR / AP	Draft									
15	Chamberlain	Investments - Corporate Responsibility										
16	Chamberlain	Council Tax	<i>Draft TOR</i>									
17	Chamberlain	Business Rates	<i>Draft TOR</i>									
18	Information Systems	ITIL Compliance	Fieldwork									
19	Information Systems	Remote Access	Fieldwork									
20	Information Systems	Database Patching & Change Control Procedures	Fieldwork									
21	Information Systems	Back Up Strategy and Procedures	Draft									
22	Information Systems	Firewalls	Fieldwork									
23	Information Systems	Asset Register	<i>Draft TOR</i>									
24	Information Systems	WAN (MLPS)	<i>Draft TOR</i>									

No	Department	Main Audit Review	Status**	Assurance ***	Recommendations Made***				Recommendations Agreed***			
					R	A	G	Total	R	A	G	Total
25	Information Systems	GJR Server Rooms										
26	Information Systems (Outsourced)	WIFI Strategy										
27	Information Systems (Outsourced)	Cloud Security										
28	Information Systems (Outsourced)	Oracle 12 Licenses										
29	Information Systems (Outsourced)	Oracle Post Implementation Review										
30	Open Spaces	Hampstead Heath	FINAL	Amber	0	11	0	11	0	11	0	11
31	Open Spaces	Cemeteries & Crematoriums	Draft									
32	Open Spaces	Chingford Golf Course										
33	Markets and Consumer Protection	Licensing	FINAL	Amber	0	3	6	9	0	3	5	8
34	Markets and Consumer Protection	Port Health Income	FINAL	Amber	0	2	2	4	0	2	2	4
35	Markets and Consumer Protection	Penalty Charge Notices	FINAL	Amber	0	3	3	6	0	3	3	6
36	Markets and Consumer Protection	Contract Variation – Figures Verification	FINAL	n/a	n/a				n/a			
37	Community & Children Services	Departmental Review										
38*	Community & Children Services	Sir John Cass Schools Financial Value Sign Off	FINAL	Amber	0	2	3	5	0	2	3	5
39	Community & Children Services	Sir John Cass School Private Fund Account	Fieldwork									
40	Community & Children Services	Community Capacity and Disabled Facilities Grant Verification	FINAL	n/a	n/a				n/a			
41	City Surveyors	Property Purchases, Sales & Investments	Draft									
42	City Surveyors	Rents, Letting and Vacancies	Fieldwork									
43	Built Environment	Recoverable Works	Fieldwork									
44	Police	Procurement Card - <i>replaces Expenses inc. travel and business travel scheme</i>	Fieldwork									
45	Police	Police Officer Allowances & Ad Hoc Payments										
46	Police	Police Supplies & Services and 3rd Party Payments	Draft									
47	Police	Action Awareness Team										
48	Police	Governance and oversight of outsourcing (IT)										

No	Department	Main Audit Review	Status**	Assurance ***	Recommendations Made***				Recommendations Agreed***			
					R	A	G	Total	R	A	G	Total
49	Police	Interim Follow Up of Disaster Recovery and PBX Resilience	Draft									
50	Police	Invoices on Hold	Draft									
51	Police	Interpreters Fees	FINAL	Green	0	1	0	1	0	1	0	1
52	Police	Gifts and Hospitality	FINAL	Amber	0	3	1	4	0	3	1	4
53*	Police	European Commission Grant Verification	FINAL	n/a	n/a				n/a			
54	Police	Compensation Claims Committee Report	FINAL	n/a	n/a				n/a			
55	Police	European Commission Grant Verification – Cross Border Bribery	Draft	n/a	n/a				n/a			
56	CLFS	Institutional Review	<i>Draft TOR</i>									
57	CLS	Institutional Review	Fieldwork									
58	CLSG	Institutional Review	Fieldwork									
59	CLSG	ICT Strategy	Draft									
60	Guildhall School	Milton Court	Fieldwork									
61	Guildhall School	Procurement of Goods and Services	FINAL	Amber	0	2	1	3	0	2	1	3
62	Guildhall School	Principal Study - <i>replaces Satellite Operations</i>	Draft									
63	Barbican	Box Office	<i>Draft TOR</i>									
64	Barbican	Barbican - International Enterprise	FINAL	Green	0	2	6	8	0	1	6	7
65	Barbican	Barbican - Bars (Contract Management and New Arrangements)	Fieldwork									
66	Barbican	Membership Scheme	Fieldwork									
67	Barbican	Budget Setting and Financial Management	FINAL	Green	0	2	2	4	0	1	2	3
68	Barbican	Cost Estimates and Cost Plan	FINAL	Green	0	1	1	2	0	1	1	2
69	Barbican	Systems Controls	Draft									
70	Culture Libraries and Heritage	Monument Cash Collection	FINAL	Green	0	0	3	3	0	0	3	3
71	Mansion House	Annual Plate Review	FINAL	n/a	n/a				n/a			
72	Town Clerks	Guildhall Club Accounts	FINAL	n/a	0	1		2	n/a			

**Status definitions – Fieldwork = Formal TOR issued, Draft = Formal draft report issued, Final = Review complete and final report issued.

***Assurance level and recommendations only completed once report has been finalised.

This page is intentionally left blank

Committee(s)	Dated:
Audit and Risk Management Committee	26/01/2016
Subject: 2016-17 Internal Audit Plan and Three Year Strategy	Public
Report of: Head of Internal Audit and Risk Management	For Decision
Report author: Chris Harris – Head of Internal Audit and Risk Management	

Summary

The Head of Internal Audit is required by the Public Sector Internal Audit Standards to establish risk-based plans to determine the priorities of internal audit activity, consistent with the organisation's goals. The risk-based plan must take into account the requirement to produce an annual independent internal audit opinion on the design and effectiveness of the City's governance, internal control and risk management environment. This report sets out the proposed internal audit annual plan for 2016-17 and future year's coverage for the three year strategy.

Recommendation(s)

Members are asked to agree the 2016-17 internal audit work plan and three year strategy.

Main Report

Background

1. The purpose of this report is to present the internal audit plan for 2015-16, supported by a three year strategy. This year the plan has been produced from afresh by the entire Internal Audit, Risk and Anti Fraud team. Audit areas have been identified from the corporate, departmental and institutional business plans and risk registers, and then risk assessed using a similar approach as that defined in the Risk Management methodology.
2. Audit areas were then sorted in high risk priority and a review undertaken to assess whether any other sources of assurance were available and could be relied upon.
3. Chief Officers have been consulted and provided input into the proposed plan and coverage within their areas.

Current Position

4. The internal audit plan for 2016-17 provides for 1,025 days to deliver the internal audit reviews and can be accommodated by internal resources. The coverage provides sufficient assurance to produce a Head of Internal Audit Opinion.
5. The three year strategy will be subject to review annually but demonstrates that all key areas will be covered within a three year period.

Role of Internal Audit

6. Internal auditing is an independent, objective assurance and consulting (advisory) activity designed to add value and improve an organisation's operations. It helps the organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.
7. The Internal Audit function reviews the operations of the City. It also supplies the internal audit service to the Museum of London and London Councils under an SLA.
8. The Internal Audit function operates in accordance with the Audit Charter which reflects statutory and professional requirements. Implementation of the audit plan helps the City maintain "a sound system of internal control which facilitates the effective exercise of functions and which includes arrangements for the management of risk" (Accounts and Audit Regulations 2011). Proper practices are defined in the new Public Sector Internal Audit Standards which are the professional basis for the operation of the Internal Audit function.
9. Internal audit adds value and improves the City's operations by promoting a robust control environment for both financial and operational systems, promoting best practice in governance and risk management as well as making recommendations for improvements in operating efficiencies.

Internal Audit Planning and Allocation of Resources Process

10. The Head of Internal Audit is required by the Public Sector Internal Audit Standards to establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation's goals. The risk-based plan must take into account the requirement to produce an annual independent internal audit opinion on the design and effectiveness of the City's governance, internal control and risk management environment.
11. Annually, internal audit conducts a risk-based audit planning process to ensure appropriate coverage of the City's operations (and external partners, where appropriate) is provided.
12. The detailed plan of internal audit work is detailed in **Appendix 1**. It has been presented in four main areas:

- Corporate and strategic reviews, which mainly address the corporate risks and/or are cross cutting reviews to identify efficiencies in process and good practice that can be shared.
- Departmental reviews that have been subject to the internal audit risk assessment process and cover some of the areas of concern requested to be reviewed by Chief Officers, including information system reviews.
- Institutional reviews, which cover the key risk areas of the City's Institutions (Police, Barbican Centre, Guildhall School of Music and Drama, City of London Freemans School, City of London School and City of London School for Girls). These programmes are also separately agreed with these institutions.
- Non City Institutional reviews that cover the priority and key financial areas of the Museum of London and London Councils. These programmes are also separately agreed with these institutions.

However, as discussed at the Institutional committees already presented with draft plans, we have indicated that they may be subject to change.

13. All reviews included in the plan are full assurance reviews that will result in a formal opinion given over the adequacy of risk management and control within the system audited and the extent to which controls have been applied, with a provision also included for follow ups.

Conclusion

14. The internal audit annual work plan will provide Members and management with assurance over the financial control and operational framework in key risk areas. It will also lead to an overall annual opinion on the effectiveness of the City's arrangements for internal control, risk management and governance.

Appendices

- Appendix 1 – Detailed internal audit plan 2016-17 and three year strategy

Chris Harris

Head of Internal Audit and Risk Management

T: 07800 513179

E: chris.harris@cityoflondon.gov.uk

This page is intentionally left blank

Detailed Internal Audit Annual Work Plan for 2016-17

Corporate and Strategic Reviews (250 days)

Title of Review	Coverage
Emergency Planning	Corporate Risk 1
Project Management	Compliance review of major projects with agreed methodology.
Data Management	Will cover critical systems to ensure there are clearly defined data owners and data management procedures are adhered to. This is also cover compliance with Data Protection Act.
Cyber Security	A number of reviews will be undertaken in a phased approach covering the 10 'cyber security essentials'.
Risk Management	Compliance review of a sample of departments with current framework, policies and procedures.
Safeguarding	Corporate Risk 17
Follow Up	A six monthly review, prior to the Audit and Risk Committee and other relevant sub committees, will be performed to substantiate the progress management has made against implementing Red and Amber rated recommendations. For Green rated recommendations an updated from management will be obtained only.
Contingency	Recommended best practice that contingency days are available for additional reviews and ad hoc requests.

Departmental Reviews (445 days)

Department	Title of Review
Town Clerks	Electoral Registration and Elections Management
	Bridge House Trust Grants
	Pay and Reward
	Guildhall Club Accounts
	EDO – Supporting Businesses
Chamberlain	Budget Management
	Payroll
	Accounts Receivable
	VAT
	Procurement Cards
<i>Information Systems (in house)</i>	IT Contract Management
	Oracle Property Manager Module Application Review
	City Procurement Application Review
	Asset Review
Open Spaces	Repairs and Maintenance
Markets and Consumer Protection	Spitalfields Market Forklift Truck Safety and Permit Management
	Key Performance Monitoring
Children & Community Services	Housing Asset Management Strategy
	Service Charges (Housing and BE)
	Contract Management and Commissioning
	Rough Sleepers
	Education Strategy
	Sir John Cass School Financial Value Standard

City Surveyors	Geared Ground Rents
	Asset Disposals and Capital Receipts
Built Environment	Car Parks
	Planning Control
	Building Control
	Change Control (Cleansing and Waste Disposal)
Culture, Heritage and Libraries	City Information Centre
	Library Book and Audio Stock
Mansion House	Security Contract Management
	Annual Plate Review

CoL Institutional Reviews (220 days)

Department	Title of Review
City of London Police	Standard Operating Procedures
	Budget Monitoring
	International Fraud Academy
	Community Consultation
	Grant Audits
	Governance Framework
	Income Streams and Generation
City of London Freemans School	TBC
City of London School	TBC
City of London School for Girls	TBC
Guildhall School of Music and Drama	Strategic Planning
	Income Generation
	Succession Planning
	Satellite Site Operations
Barbican Centre	Major Incident, Security and Safety
	Catering
	Customer Experience
	Car Parking System

Non CoL Institutional Reviews (110 days)

Institution	Title of Review
Museum of London	Governance and Risk Management
	Financial Management (Budget Setting and Financial Planning)
	Key Financial Controls (Declarations of Interest/Inventories of Equipment/Travel and Subsistence)
	Stock Checks
	ICT Cybercrime Prevention Strategy
	Follow Ups
London Councils (60 days – 10 c/f from 2015-16)	Key Financial Controls (inc. budget management, gifts & hospitality and income)
	Grants
	Procurement of Goods and Services
	ICT Information Governance
	Recruitment and Payroll Adjustments
	Governance Arrangements
	Follow Ups

Three year strategy

Department	Audit Title	2016-17	2017-18	2018-19
Corporate	Emergency Planning	✓		
Corporate	Project Management	✓		
Corporate	Data Management	✓		
Corporate	Cyber Security	✓	✓	✓
Corporate	Risk Management	✓		✓
Corporate	Safeguarding	✓		
Corporate	Follow Up	✓	✓	✓
Corporate	Contingency	✓	✓	✓
Town Clerk	EDO – Supporting Businesses	✓		
Town Clerk	Electoral Registration and Elections Management	✓		
Town Clerk	Bridge House Trust Grants	✓		
Town Clerk	Pay and Reward	✓		
Town Clerk	Guildhall Club Accounts	✓	✓	✓
Town Clerk	Freedom of Information		✓	
Town Clerk	Social Investment Fund		✓	
Town Clerk	Members and Officer's Declarations of Interest		✓	
Town Clerk	Supporting the City			✓
Town Clerk	Occupational Health			✓
Town Clerk	Policy Initiative Fund and EDO Grant Payments			✓
Town Clerk	Court Security Arrangements			✓
Chamberlains	Budget Management (to include police)	✓		
Chamberlains	Payroll	✓		✓
Chamberlains	Accounts Receivable	✓		
Chamberlains	VAT	✓		
Chamberlains	Information Security		✓	
Chamberlains	Financial Planning		✓	
Chamberlains	City Procurement		✓	
Chamberlains	Council Tax and NNDR		✓	
Chamberlains	Income Collection and Banking		✓	
Chamberlains	Treasury Management and Investments		✓	
Chamberlains	Expenditure – Expenses, Procurement Cards and Petty Cash	✓	✓	✓
Chamberlains	Accounts Payable			✓
Chamberlains	General Ledger (Main Accounting)			✓
Chamberlains (IT)	IT Contract Management	✓		
Chamberlains (IT)	Oracle Property Manager Module Application Review	✓		
Chamberlains (IT)	City Procurement Application Review	✓		
Chamberlains (IT)	Asset Review	✓		
Chamberlains (IT)	IT Business Continuity		✓	
Chamberlains (IT)	Oracle (CBIS) Application		✓	
Chamberlains (IT)	City Revenues Application		✓	
Chamberlains (IT)	eSourcing			✓
Chamberlains (IT)	Artifax Application			✓
Chamberlains (IT)	CRM Software – Post Implementation Review			✓
Open Spaces	Repairs and Maintenance	✓		
Open Spaces	Income Generation		✓	
Open Spaces	Fleet Management			✓

Open Spaces	Wayleaves			✓
Open Spaces	Sports Charging Policy			✓
Market & Consumer Protection	Spitalfields Market Forklift Truck Safety and Permit Management	✓		
Market & Consumer Protection	Key Performance Monitoring	✓		
Market & Consumer Protection	Market lease Renewals		✓	
Market & Consumer Protection	Markets Code of Practice and Working Manuals		✓	
Market & Consumer Protection	Charitable Street Collection Permits		✓	
Market & Consumer Protection	Licensing			✓
Market & Consumer Protection	Electronic Licensing Database			✓
Children & Community Services	Housing Asset Management Strategy	✓		
Children & Community Services	Service Charges (Housing and BE)	✓		
Children & Community Services	Contract Management and Commissioning	✓		
Children & Community Services	Rough Sleepers	✓		
Children & Community Services	Education Strategy	✓		
Children & Community Services	Sir John Cass School – Schools Financial Value Standard	✓		
Children & Community Services	City of London Freemans School	✓	✓	✓
Children & Community Services	City of London School	✓	✓	✓
Children & Community Services	City of London School for Girls	✓	✓	✓
Children & Community Services	Housing Allocations, Lettings and Voids		✓	
Children & Community Services	Housing and BE Rents		✓	
Children & Community Services	Partnerships		✓	
Children & Community Services	Mental Health Provision			✓
Children & Community Services	Community Engagement Plan			✓
Children & Community Services	Youth Services			✓
Children & Community Services	Asylum Seekers			✓
Children & Community Services	Early Help Strategy			✓
City Surveyors	Geared Ground Rents	✓		
City Surveyors	Asset Disposals and Capital Receipts	✓		
City Surveyors	Property Purchases, Sales and Investments			✓
Built Environment	Car Parks	✓		

Built Environment	Planning Control	✓		
Built Environment	Building Control	✓		
Built Environment	Change Control (Cleansing and Waste Disposal)	✓		
Built Environment	Highways		✓	
Built Environment	Community Infrastructure Levy			✓
Built Environment	Development			✓
Culture, Heritage and Libraries	City Information Centre	✓		
Culture, Heritage and Libraries	Library Book and Audio Stock	✓		
Culture, Heritage and Libraries	Guildhall Art Gallery		✓	
Culture, Heritage and Libraries	Tower Bridge and Monument			✓
Mansion House	Security Contract Management	✓		
Mansion House	Annual Plate Review	✓		
Mansion House	Hospitality and Catering		✓	
Mansion House	Asset and Stock Management			✓
Police	Standard Operating Procedures	✓		
Police	Budget Monitoring	✓		
Police	International Fraud Academy	✓		
Police	Community Consultation	✓		
Police	Grant Audits	✓		
Police	Governance Framework	✓		
Police	Income Streams and Generation	✓		
Police	IT Network Security		✓	
Police	Technology Refresh Project		✓	
Police	Business Continuity inc. IT		✓	
Police	Demand Policing and Event Resourcing		✓	
Police	Accommodation Review			✓
Guildhall School of Music and Drama	Strategic Planning	✓		
Guildhall School of Music and Drama	Income Generation	✓		
Guildhall School of Music and Drama	Succession Planning	✓		
Guildhall School of Music and Drama	Satellite Site Operations	✓		
Guildhall School of Music and Drama	Budget Setting and Financial Management		✓	
Guildhall School of Music and Drama	Student Support		✓	
Guildhall School of Music and Drama	Facilities Management and Maintenance		✓	
Guildhall School of Music and Drama	Asset Management and Register		✓	
Guildhall School of Music and Drama	Enrolment			✓
Guildhall School of Music and Drama	Professional Services			✓
Barbican	Major Incident, Security and Safety	✓		
Barbican	Catering	✓		
Barbican	Customer Experience	✓		
Barbican	Car Parking System	✓		

Barbican	Strategic Planning, Monitoring and Implementation		✓	
Barbican	IT Projects		✓	
Barbican	Financial Monitoring and Income Generation		✓	
Barbican	Cancellation of Events		✓	
Barbican	Widening Audiences		✓	
Barbican	Cash Handling		✓	
Barbican	Repairs and Maintenance			✓
Barbican	Progression and Professional Development (Artistic Offering/Supporting Artists)			✓
Barbican	Target Setting and Performance Monitoring			✓
Barbican	Sponsorship and Donations			✓
Total Days		1,025	1,025	1,025

This page is intentionally left blank

Committee:	Date:
Audit and Risk Management Committee	26 January 2016
Subject: Audit and Risk Management Committee Survey	Public
Report of: Town Clerk	For Decision
Report Author: Neil Davies – Head of Corporate Performance and Development	
Summary	
<p>The first review of the effectiveness of the Audit and Risk Management Committee was reported in 2013, and included a survey of all Members of the Committee. This survey was repeated in 2014. When reviewing the results of that survey, Members agreed to continue to run the effectiveness survey periodically, but requested that the Committee be given the opportunity to review the questions before the next survey took place.</p> <p>In response to this request, a review of the questions used has been carried out, with reference to recent publications covering this issue in both public and private sectors. This report presents a series of suggestions for amended and replacement questions to the Committee for approval.</p> <p>Once agreed, it is suggested that the survey be conducted during February, with the results being reported to the Committee at its meeting in June 2016.</p>	
Recommendations:	
Members are asked to:	
<ul style="list-style-type: none">• Agree that the next survey of Members of this Committee takes place in February, to be reported to the June meeting of this Committee;• Agree to the retaining the methodology used in the 2014 survey, and• Consider suggestions for amended and replacement questions.	

Main Report

Background

1. In February 2013, Members received a report on the first effectiveness review of the Audit and Risk Management Committee. This included the results of a survey of Members of the Committee, which was based on a model questionnaire issued by CIPFA.

2. A second survey was reported to Members in November 2014. Overall 85% of responses were positive (i.e. “strongly agree” or “agree”), compared with 90% in the previous survey. Results of over 90% were recorded for the operation of the Committee, and training and awareness. The lowest scoring area related to fraud and whistle-blowing, although even here, 77% of responses were “strongly agree” or “agree”.
3. Members agreed to continue to run the effectiveness survey, and requested that the Committee be given the opportunity to review the questions before the next survey took place. This report discusses the questions and methodology to be used for the next survey.

Methodology

4. For the 2014 survey, the questions used in the first survey were retained, but the answer options were amended from “yes/no” to a four-point scale of “strongly agree”, through to “strongly disagree”. This was designed to give Members more option in answering the questions, and facilitate better analysis of trends. It is proposed that this answer option format is retained.
5. Fewer responses were received in 2014 compared with the first survey. For this, and any subsequent surveys, officers will ensure that sufficient time is allowed for reminders to be issued. On both previous surveys, Members have taken the opportunity to add comments in open comments boxes and it is proposed that these are retained.

Survey Questions

6. In the 2014 survey, the questions were divided into three general sections about the Committee, followed by individual sections on specific aspects of the Committee’s functions. The same basic principle has been retained here. Each of the tables below shows the questions asked in 2014, together with suggested changes.
7. The suggestions are based on an analysis of recent publications on the effectiveness of audit committees from the National Audit Office (based on the HM Treasury model), PwC, Board benchmarking/KPMG, Grant Thornton (in respect of Housing Associations), and CIPFA.

Operation of the Committee	Suggested changes:
The Committee meets regularly enough to cover its work programme effectively	
Agenda papers are circulated sufficiently in advance of meetings <i>to allow adequate preparation by members</i>	Amend italicised section to: ...enable full and proper consideration to be given to the important issues
Committee decisions are reached fairly and promptly	

The Committee is sufficiently independent of other key Committees	
The Committee has sufficient access to other Committees as necessary	
<i>Reports to Members communicate relevant information at the right frequency, time and in a format that is effective</i>	Replace with: Reports provide sufficient information for informed and robust decision making (i.e. are not overly lengthy and clearly explain the key issues and priorities)
The Committee has the benefit of attendance of appropriate officers at its meetings	
The officers who attend meetings are effective in providing relevant information to the Committee	
<i>Do you have any suggestions for improvements to the operation of the Committee?</i>	Replace with: What could the Committee do better or differently to improve its effectiveness?

Training and Awareness	Suggested changes:
Members are provided with sufficient training and other information/resources to perform their role effectively and independently	(see paragraph 10 below)
	New question: Members have sufficient knowledge of the organisation to identify the key risks and to challenge managers and internal and external audit on critical and sensitive issues
	New question: Members keep abreast of best practice and developments in corporate governance in local government and more widely
New Members of the Committee are provided with an appropriate induction into the work of the Committee	(see paragraph 11 below)
<i>Are there more areas where you feel that more training/information is required to increase the effectiveness of the Committee?</i>	Amend opening to: ...In what areas do you feel ...

8. The National Audit Office (NAO) suggests that Audit Committee Members should have, or acquire as soon as possible after appointment, an understanding of: the objectives of the organisation and current significant issues; the organisation's structure; its culture; any relevant legislation, and the wider environments in which the organisation operates.

9. In respect of “appropriate” induction, the following are suggested: Committee Terms of Reference; recent reports and minutes; key accounting standards; risk and governance frameworks; external and internal work plans and assurances, and meetings with reporting management and auditors.

Functions (NB The questions in this section are aligned with the key areas of assurance in the Committee’s Terms of Reference.)	Suggested changes:
The Committee is effective in its role in overseeing external audit plans, reports and recommendations	
The Committee is effective in its role in overseeing internal audit planning and operation	
The Committee is effective in its role in overseeing the risk management strategy and assurance framework	
The Committee is effective in its role in overseeing the effectiveness of internal control arrangements	
The Committee is effective in its role in overseeing anti-fraud and whistleblowing arrangements	
The Committee is effective in its role in overseeing the annual audited accounts	
The Committee is effective in its role in overseeing external inspection reports and the actions taken in response to recommendations made	
<i>Do you have any suggestions for improvements to the operation of the Committee?</i>	Replace with: Are there any areas that the Committee should devote (a) more and (b) less attention to over the next 12/18 months
External Audit	Suggested changes:
<i>The Committee is given sufficient information on the external audit programme of work</i>	Replace with: The Committee is satisfied with the process by which it reviews and assesses the external audit work plan
<i>The Committee is able to provide sufficient input into the external audit programme</i>	
There is effective <i>communication</i> between the Committee and external audit	Replace “communication” with “dialogue” and add .. for example regarding the work plan, major issues that arise during the audit, key accounting and audit judgements, and the level of errors identified during the audit

	New question: Arrangements for private meetings with the external auditors are satisfactory
The Committee is effective in assessing whether officers are taking action to implement external audit recommendations	
<i>The Committee is effective in assessing the performance of external audit</i>	Replace with: The Committee is satisfied that the external audit work plan focuses on the key audit risks ..and: The Committee is satisfied with the quality of external audit reports presented to the Committee
Are there any improvements you would suggest to the way that external audit work is reported to the Committee?	

Internal Audit	Suggested changes:
<i>The Committee is given sufficient information on the production of the internal audit plan and programme of work</i>	Replace with: The Committee is satisfied with the process by which it reviews and assesses the internal audit plan and programme of work
<i>The Committee is able to provide sufficient input into the internal audit programme</i>	Replace with: The Committee is satisfied that the Internal Audit programme of work focuses on the key risks and controls
The work of internal audit is reviewed and reported regularly	
The annual assurance report from the Head of Internal Audit and Risk Management is satisfactory	
	New question: The Committee is satisfied with the quality of internal audit reports produced
There is effective communication between the Committee and internal audit	
	New question: Arrangements for private meetings with internal audit are satisfactory
The Committee is effective in assessing the <i>performance</i> of internal audit	Replace “performance” with “independence and effectiveness”
The Committee is effective in assessing the adequacy of internal audit staffing and other resources	Insert, after staffing: (including experience, expertise and professional standard)

The Committee is effective in assessing the implementation of internal audit recommendations	
Are there any improvements you would suggest to the way that internal audit work is reported to the Committee?	

Risk Management	Suggested changes:
The Committee is given sufficient information on the City Corporation's risk management policy and procedures	
The Committee is effective in assessing the overall risk management strategy	
The Committee is effective in assessing individual corporate risks	Add: and gaining assurance that they are managed and mitigated effectively
The Committee is effective in assessing the operation of risk management throughout the organisation	
Are there any improvements you would suggest to the way that risk management issues are reported to the Committee?	

Fraud and Whistle-blowing
NB: No changes are proposed to this set of questions
The Committee is given sufficient information on the City Corporation's anti-fraud and corruption strategy
The Committee is given sufficient information on the City Corporation's whistle-blowing policy
The Committee is effective in assessing the anti-fraud and corruption strategy
The Committee is effective in assessing the whistle-blowing policy
The Committee is effective in assessing whether effective arrangements have been established and implemented throughout the organisation
The Committee is effective in assessing whether officers are responding appropriately to fraud issues and cases
Are there any improvements you would suggest to the way that fraud and whistle-blowing issues are reported to the Committee?

10. Previous versions of the survey did not include any questions on internal control – it is proposed that the following set of questions is added:

Internal Control
The Committee is given sufficient information on the Annual Governance Statement and the evidence that underpins it
The Committee is effective in assessing whether the system of internal control has operated throughout the reporting period
The Committee is effective in assessing whether corporate governance is embedded throughout the organisation
The Committee is effective in assessing whether the system of internal reporting gives early warning of control failures and emerging risks

Conclusion

11. It is generally recognised that well-functioning audit committees help organisations achieve good corporate governance. Recommended best practice also states that audit committees should periodically review their effectiveness. Following an initial review in 2013, it was agreed that a periodic survey should take place of Members of the City Corporation's Audit and Risk Management Committee.
12. As requested by Members after the last survey, a review of the questions used has been carried out, with reference to recent publications covering this issue in both public and private sectors. As a result, a series of suggestions for amended and replacement questions is being presented to the Committee for approval.
13. Once agreed, it is suggested that the survey be conducted during February, with the results being reported to the Committee at its meeting in June.

Appendices – none

Background Papers:

Report to Audit and Risk Management Committee 5th February 2013: Audit and Risk Management Committee Effectiveness Review

Report to Audit and Risk Management Committee 4th November 2014: Audit and Risk Management Committee Survey

Neil Davies

Head of Corporate Performance and Development

T: 020 7332 3327

E: neil.davies@cityoflondon.gov.uk

This page is intentionally left blank

Committee:	Date:
Audit and Risk Management	26 January 2016
Subject: Corporate Risk Register Review	Public
Report of: The Chamberlain	For Information
Report Author: Paul Dudley - Corporate Risk Advisor	

Summary

This report provides the Audit and Risk Management Committee with an update on the corporate and the top red departmental risk registers following the review by the Chief Officer Risk Management Group (CORMG), on 17 November 2015 and the Summit Group on 7 December 2015.

There are currently 11 corporate risks including the two new corporate risks (CR20 Road Safety and CR21 Air Quality), confirmed by the Audit and Risk Management Committee on 3 November 2015, and 11 top red departmental risks.

There have been no changes in the current score of the 11 corporate risks since the 3 November 2015 Audit and Risk Management Committee risk update report. CORMG agreed that no new risks would be submitted to the Summit Group for possible escalation on to the corporate risk register. A new contract management risk will however be considered by CORMG, at their January 2016 meeting, as a possible corporate risk.

There have been some changes to the composition of the top red departmental risk register, with air quality being escalated on to the corporate risk register (CR21) and a new risk SUR SMT 017 Asbestos Management being added as a Top X Health and Safety risk. MCP NS001 New Spitalfields Workplace Traffic Management has been rescored from a 16 to a 24 risk rating whilst OSD 003 Delivering the Departmental Road Map and Projects and Programmes has been rescored as an amber risk and removed from this register

The number of Top department red risks is likely to show an increase in the next risk update report (March 2016) to the Committee as Top X Health and Safety Risks are being moved from departmental excel spreadsheets on to the Corporate Risk Management Information System (Covalent).

Recommendations

Members are asked to note the corporate risk register and the changes to the composition of the top red departmental risk register.

1.0 Background

- 1.1 The corporate risk register was last reviewed by CORMG on 17 November 2015 and the Summit Group on the 7 December 2015.
- 1.2 In accordance with the established risk framework, each risk has been reviewed (and where appropriate risk descriptions revised) by the responsible risk owner and departmental management teams.
- 1.3 There are currently a total of 210 risks (as at 17 November 2015) recorded on Covalent of which 11 are corporate and 11 top red departmental risks. The majority of the remaining risks are categorised as amber or green departmental/service level risks. Attached as appendix 1 is the corporate risk matrix which illustrates the likelihood and impact ratings as well as the definitions for red, amber and green risks.
- 1.4 The corporate risk register is attached as appendix 2 (providing details of each risk, a brief update, where appropriate a target risk date, mitigations) and a summary of the top red departmental risk register is attached as appendix 3.

2.0 Corporate risk register

- 2.1 There are currently 11 corporate risks which includes the two new risks, (CR20 Road Safety and CR 21 Air Quality), confirmed by the Audit and Risk Management Committee on 3 November 2015. Of the 11 corporate risks, there are four red risks, six amber and one green risk.

Table 1 below – List of corporate risks as at 17 November 2015 (Risk score order)

Risk no	Risk title	Risk rating	Current Risk score
CR11	Hampstead Heath Ponds	Red	16
CR 19	IT Service Provision – Police and Corporation IT Service	Red	16
CR20	Road Safety	Red	16
CR21	Air Quality	Red	16
CR09	Health and Safety Risk	Amber	12
CR01	Resilience Risk	Amber	8
CR02	Loss of Business Support for the City	Amber	8
CR10	Adverse Political Developments	Amber	8
CR17	Safeguarding	Amber	8
CR14	Funding Reduction	Amber	6
CR16	Information Security	Green	4

2.2 With the exception of the two new risks being added to the corporate risk register, there have been no other significant changes to the remaining nine corporate risks since November 2015.

2.3 CORMG, at their meeting on 17 November 2015, agreed that no risks would be recommended to the Summit Group meet (7 December 2015) for consideration as corporate risks. However a new contract management risk would be presented by the Chamberlain at the January 2016 meeting for consideration as a corporate risk. If agreed this risk will be reported to the Summit Group in the next risk update report on 17 February 2015.

3.0 **Top departmental red risks**

3.1 There are currently 11 Top departmental red risks (see appendix 3). Two of these red risks are scored at 24 whilst the remainder scored at 16. The two risks which are scored at 24 are;

- DCCS PE 002. Failure to deliver expansion of Sir John Cass Foundation Primary School to 2 form entry in September 2016. This matter remains unresolved although work is on-going to reach a satisfactory solution.
- MCP-NS 001. Workplace Traffic Management, this risk has increased in risk score from 16 to 24. This is as a result of the new Superintendent reviewing the evidence of incidents since his arrival at New Spitalfields Market and considers that the impact rating should be changed to “extreme” in view of the likelihood of a serious injury or death of a pedestrian from current fork lift truck movements. There are seven control measures currently in progress to mitigate this risk.

3.2 A number of other changes to the composition of the top red departmental risk register have occurred to this register since the last risk update to the Committee on 3 November 2015:

- The MCP risk on air quality being escalated on to the corporate risk register (CR21)
- A new risk SUR SMT 017 Asbestos Management being added as a Top X Health and Safety risk in the City Surveyor’s department.
- OSD 003 Delivering the Departmental Road Map and Projects and Programmes has been rescored as an amber risk and removed from this register.

3.3 The number of top red departmental risks is likely to show an increase in the next risk update report, following recent guidance from Town Clerk’s department to departments that Top X Health and Safety risks, currently recorded on excel spreadsheets, be input on to the Covalent risk system.

4.0 Conclusion

- 4.1 The Corporate risk register continues to be actively reviewed and updated by risk owners in line with the requirements stipulated by the Risk Management Strategy. CORMG provides additional assurance to the Summit Group, COG and the Audit and Risk Management Committee that corporate risks are appropriate and being actively managed.

Appendices:

APPENDIX 1 - Corporate Risk Matrix

APPENDIX 2 - Corporate risk register

APPENDIX 3 - Top Red departmental risk register

Contact:

Paul.Dudley | Paul.Dudley@cityoflondon.gov.uk | 02073321297

City of London Corporation Risk Matrix (Black and white version)

Note: A risk score is calculated by assessing the risk in terms of likelihood and impact. By using the likelihood and impact criteria below (top left (A) and bottom right (B) respectively) it is possible to calculate a risk score. For example a risk assessed as Unlikely (2) and with an impact of Serious (2) can be plotted on the risk scoring grid, top right (C) to give an overall risk score of a green (4). Using the risk score definitions bottom right (D) below, a green risk is one that just requires actions to maintain that rating.

(A) Likelihood criteria

	Rare (1)	Unlikely (2)	Possible (3)	Likely (4)
Criteria	Less than 10%	10 – 40%	40 – 75%	More than 75%
Probability	Has happened rarely/never before	Unlikely to occur	Fairly likely to occur	More likely to occur than not
Time period	Unlikely to occur in a 10 year period	Likely to occur within a 10 year period	Likely to occur once within a one year period	Likely to occur once within three months
Numerical	Less than one chance in a hundred thousand (<10-5)	Less than one chance in ten thousand (<10-4)	Less than one chance in a thousand (<10-3)	Less than one chance in a hundred (<10-2)

(B) Impact criteria

Impact title	Definitions
Minor (1)	Service delivery/performance: Minor impact on service, typically up to one day. Financial: financial loss up to 5% of budget. Reputation: Isolated service user/stakeholder complaints contained within business unit/division. Legal/statutory: Litigation claim or find less than £5000. Safety/health: Minor incident including injury to one or more individuals. Objectives: Failure to achieve team plan objectives.
Serious (2)	Service delivery/performance: Service disruption 2 to 5 days. Financial: Financial loss up to 10% of budget. Reputation: Adverse local media coverage/multiple service user/stakeholder complaints. Legal/statutory: Litigation claimable fine between £5000 and £50,000. Safety/health: Significant injury or illness causing short-term disability to one or more persons. Objectives: Failure to achieve one or more service plan objectives.
Major (4)	Service delivery/performance: Service disruption > 1 - 4 weeks. Financial: Financial loss up to 20% of budget. Reputation: Adverse national media coverage 1 to 3 days. Legal/statutory: Litigation claimable fine between £50,000 and £500,000. Safety/health: Major injury or illness/disease causing long-term disability to one or more people objectives: Failure to achieve a strategic plan objective.
Extreme (8)	Service delivery/performance: Service disruption > 4 weeks. Financial: Financial loss up to 35% of budget. Reputation: National publicity more than three days. Possible resignation leading member or chief officer. Legal/statutory: Multiple civil or criminal suits. Litigation claim or find in excess of £500,000. Safety/health: Fatality or life-threatening illness/disease (e.g. mesothelioma) to one or more persons. Objectives: Failure to achieve a major corporate objective.

(C) Risk scoring grid

Likelihood		Impact			
	X	Minor (1)	Serious (2)	Major (4)	Extreme (8)
	Likely (4)	4 Green	8 Amber	16 Red	32 Red
	Possible (3)	3 Green	6 Amber	12 Amber	24 Red
	Unlikely (2)	2 Green	4 Green	8 Amber	16 Red
	Rare (1)	1 Green	2 Green	4 Green	8 Amber

(D) Risk score definitions

RED	Urgent action required to reduce rating
AMBER	Action required to maintain or reduce rating
GREEN	Action required to maintain rating

This is an extract from the City of London Corporate Risk Management Strategy, published in May 2014.

Contact the Corporate Risk Advisor for further information. Ext 1297

October 2015

This page is intentionally left blank

Corporate Risk Register - Detailed Report

Report Author: Paul Dudley



Rows are sorted by Risk Score

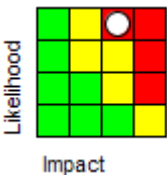
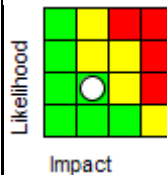
Code & Title: CR Corporate Risk Register 11

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	Current Risk score change indicator
		Likelihood	Impact		Likelihood	Impact		
CR11 Hampstead Heath Ponds - overtopping leading to dam failure	<p>Cause: The earth dams on Hampstead Heath are vulnerable to erosion caused by overtopping</p> <p>Event: Severe rainfall event which causes erosion which results in breach, leading to failure of one or more dams</p> <p>Impact: Loss of life within the downstream community and disruption to property and infrastructure - including Kings Cross station and the Royal Free Hospital. A major emergency response would need to be initiated by Camden Council and the police at a time when they are likely to already be dealing with significant surface water flooding. Damage to downstream buildings and infrastructure would result in significant re-build costs. The City's reputation would be damaged. An inquiry and legal action could be launched against the City.</p> <p>The Ponds Project has been initiated to mitigate this risk as the current interim mitigations of telemetry, weather monitoring, an on-site emergency action plan do not address the issue of the dam's vulnerability to overtopping</p>		16	<p>The "Ponds Project" was initiated and is being implemented to address the Risk.</p> <p>The issues reported relate principally to the successful and timely completion of the Ponds Project.</p> <p>Potential for land ownership issues to cause delays- Most of the adjoining land owner issues have been resolved and there are no current concerns.</p> <p>Potential for protest – This risk has significantly reduced as the project is well underway.</p> <p>Health & Safety - The Heath is a public open space and therefore the interaction between people, dogs and construction plant must be managed. All construction vehicles are being escorted at walking pace.</p>		8	31-Oct-2016	↔

05-Feb-2015 Sue Ireland; Paul Monaghan				<p>Cost increases - The budget is overseen by the Project Director and Project Board. A specific risk provision has been included in the approved budget.</p> <p>Further challenge – Initial challenge has fallen away. Ongoing extensive consultation and communication with all stakeholders, updating them on progress of the Ponds Project.</p> <p>Technical Challenge – As works progress on site technical issues are being uncovered e.g. silt and clay suitability. Mitigation methods will be developed as technical issues arise.</p> <p>25 November 2015</p>				
--	--	--	--	---	--	--	--	--

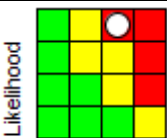
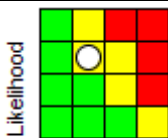
Action no, Action owner	Description	Latest Note	Managed By	Latest Note Date	Due Date
CR11 a	Regular monitoring of budget and risk provisions	Project Director continues to monitor the budget closely with the project officer.	Paul Monaghan	25 Nov 2015	31-Mar-2016
CR11 b	Agreement of methods of working with utilities	Methods of working agreed around utilities. Ongoing joint working concerning a number of diversions that are happening as a result of the works.	Paul Monaghan	25-Nov-2015	31-Aug-2015
CR11 c	Regular review of H&S and working practices - in particular movement of vehicles	Weekly meetings to review practices being undertaken	Paul Monaghan	25-Nov-2015	31-Mar-2016
CR11 d	Liaison officer role defined by planning conditions in respect of CWG, but will undertake broader community engagement role as previously	CWG continues to meet regularly. Liaison officer issues 818 weekly email newsletters, updates blog regularly (1000 blog visits per month). Website regularly updated, time-lapse camera established and 1336 students participated in Ponds Project Education Programme.	Paul Monaghan	25-Nov-2015	31-Mar-2016
CR11 e	A revised on-site plan is required for the construction period.	Completed	Paul Monaghan	25 Nov-2015	31-Aug-2015
CR11 f	As per planning consent and conditions	Daily water quality and dust monitoring undertaken. Data published and issued monthly to CWG.	Paul Monaghan	25-Nov-2015	31-Oct-2016

CR11 g	To secure clear understand of impact on the Heath, resolution of any issues, discussion of complaints	Continuing consultation with all stakeholders. Complaints log discussed at CWG	Paul Monaghan	25-Nov-2015	31-Oct-2016
CR11 h	There are 4 different adjoining landowners who the City is engaging with. The land ownership will be resolved according to the specifics of each case - via transfer, access agreements or registration as co-undertakers with the EA.	Two of four landowners do not impact on progression of the Ponds Project. Orchard Trust Transfers agreed. Fourth landowner see action below. Col will continue to liaise with landowners.	Paul Monaghan	25-Nov-2015	31-Aug-2015
CR11 i	The design approved for Highgate 1 impacts on another landowner. Discussions as to an acceptable alternative have been progressing. Any change will require planning permission.	Millfield cottage - design is being changed to suit landowner. Alternative designs completed and awaiting agreement with landowner prior to applying for planning permission	Paul Monaghan	25-Nov-2015	31-Aug-2015

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	Current Risk score change indicator
CR19 IT Service Provision Page 69 14-Jul-2015 Graham Bell	Cause: The whole Police IT Estate and parts of the Corporation are in need of further investment. Event: For the Corporation, poor performance of IT Service and for the Police critical failure of the Police IT Service. Effect: Loss of communications or operational effectiveness (including service performance, reliability and weakening DR capabilities). reputational damage. Possible failure of critical Corporation and Policing activities.		16	This risk remains red but is expected to reduce as infrastructure changes are implemented. Progress against the transition plan is measured regularly to ensure the risk continues to reduce towards the target status of Green by 31 December 2016 30 Nov 2015		4	31-Dec-2016	↔

Action no, Action owner	Description	Latest Note	Managed By	Latest Note Date	Due Date
CR19b	Joint network refresh programme to resolve issues around network resilience and ensure we have diverse routes for network traffic, avoiding single points of failure.	A Gateway 4/5 report will be presented for approval in December 2015.	Graham Bell	16 Nov 2015	31-Dec-2016
CR19c	Investment in any retained IT infrastructure to ensure that this meets the same standards of resilience and continuity as delivered by the IaaS infrastructure.	A Gateway 4/5 report will be presented for approval in December 2015.	Graham Bell	16 Nov 2015	31-Dec-2016
CR19d	Investment in any retained IT infrastructure to ensure that	Report to Gateway Projects Sub-Committee in October, 4/5 report for approval in December	Graham Bell	16 Nov	31-Dec-

	this meets the same standards of resilience and continuity as delivered by the IaaS infrastructure	2015.		2015	2015
CR19k	Replacement of desktop phones with soft phones and improved teleconferencing facilities.	Gateway 2 report for approval in December 2015.	Graham Bell	16 Nov 2015	31-Dec-2015
CR19L	CoLP: Infrastructure as a Service	Underway and as at the end of Nov the 1st migration have been accomplished	Graham Bell	30-Nov-2015	31-Dec-2015

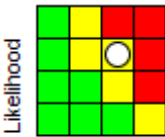
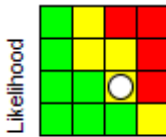
Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
CR20 Road Safety <div>Page 70</div> 13-Oct-2015 Carolyn Dwyer	<p>Cause: Limited space on the City's medieval road network to cope with the increased use of the highway by vehicles and pedestrians / cyclists within the City of London. Interventions & legal processes take time to deliver</p> <p>Event: The number of casualties occurring in the City rises instead of reducing.</p> <p>Effect: The City's reputation and credibility is adversely impacted with businesses and/or the public considering that the Corporation is not taking sufficient action to protect vulnerable road users; adverse coverage on national and local media</p>	 Likelihood Impact	16	Bank Junction report combining both the long term project (Gateway3) and interim safety scheme for delivery December 2016 (Gateway2) drafted for Streets & Walkways Committee and Projects Sub Committee (Nov/December respectively). Communications Strategy commences December 2015 17 Nov 2015	 Likelihood Impact	6	21-Dec-2016	↔

Action no, Action owner	Description	Latest Note	Managed By	Latest Note Date	Due Date
CR20a	Implement a joint City of London Corporation & City of London Police Road Safety/Safer Transport Team	Awaiting final City Police numbers for colocation and confirmation of IT needs.	Steve Presland	17-Nov-2015	15-Jan-2016
CR20b	Permanent Bank Junction redesign	Same target date. Gateway 3 Report for Committees drafted and submitted	Steve Presland	17-Nov-2015	30-Nov-2018
CR20c	Working with TfL to explore and, where practicable, deliver short term design/operational improvements to Bank Junction	Gateway 2 committee report submitted to Members	Steve Presland	17-Nov-2015	21-Dec-2016

CR20d	Work with the Corporation's Public Relations Office to deliver a Road Safety Communications Strategy	Communications to commence December	Steve Presland	17-Nov-2015	30-Nov-2015
CR20e	Explore embedding vehicle and driver safety in all City of London Corporation contracts	TfL have now issued guidance on best practice for inclusion of Work related road risk into new contracts and meeting scheduled November 2015 to discuss implementation with Corporate procurement Unit	Steve Presland	17-Nov-2015	30-Apr-2016

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	Current Risk score change indicator
CR21 Air Quality 07-Oct-2015 Jon Avern Page 71	<p>Cause: Small particulate pollution has chronic health impacts from long term exposure at very low concentrations and is in evidence within the City and central London. There is also a health impact associated with long term and short term exposure to nitrogen dioxide.</p> <p>Event: Under certain atmospheric conditions there is a higher probability of poor air quality within the City and it is more likely that residents, workers and visitors would suffer the acute consequences.</p> <p>Effect: The consequences both acute and chronic may include: An increase in hospital referrals placed upon both emergency services and the NHS for those already suffering from respiratory or cardiovascular conditions (it may also place a strain on City social services). An increase in deaths, particularly of those already suffering from respiratory or cardiovascular conditions (both residents and workers). Economic costs such as acting as a deterrent of businesses coming to London or staying and financial penalties for non-compliance with air quality limits. Persistent poor air quality may affect the longer term health of the City population.</p>	Likelihood Impact	16	Risk moved to Corporate Risk Register as requested by P. Dudley 28 Oct 2015	Likelihood Impact	6		↔

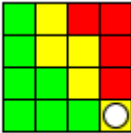
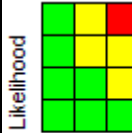
Action no, Action owner	Description	Latest Note	Managed By	Latest Note Date	Due Date
MCP-EH 001a	Implement the policies contained in the City of London Air Quality Strategy 2015-2020. The strategy contains 10 policy areas with 60 specific actions. An annual report will be produced demonstrating progress with each action.	The due date for this action is the end of April 2016 and each year after that – ongoing action, with progress reports produced in April each year. Actions are renewed and updated each April and reported on in subsequent years.	Jon Avern	07-Oct-2015	29-Apr-2016
MCP-EH 001b	Review and assess air quality in line with statutory obligations of the Environment Act 1995. Submit all relevant statutory reports. Approval of all reports by Defra and the GLA will demonstrate compliance with statutory obligations.	The due date for this action is the end of April 2016 and each year after that – Ongoing compliance reports submitted in April each year. These are subject to audit by both Defra and the Greater London Authority.	Jon Avern	08-Oct-2015	29-Apr-2016
MCP-EH 001c	Ensure the City Corporation becomes a Mayor of London Exemplar Borough for air quality.	To become a Cleaner Air for London Borough the authority will have to pledge (at cabinet level) to take significant action to improve local air quality and sign up for specific delivery targets. – this includes having an up-to-date air quality action plan, fully incorporated into LIP funding and core strategies.	Jon Avern	16-Nov-2015	29-Dec-2017
MCP-EH 001d	Develop and implement a robust communications strategy to ensure people have sufficient information to reduce their exposure on days of ‘high’ air pollution.	Days of ‘high’ air pollution occur on a few days throughout the year and are caused by changes in weather conditions. The City Corporation has very little influence over these high air pollution days but will notify the public when they occur so they can take any relevant action to avoid any impact on their health.	Jon Avern	16-Nov-2015	30-Jun-2016
MCP-EH 001e	Develop and implement a plan for reducing the impact of diesel vehicles on air pollution in the Square Mile. This is to complement the work being undertaken by the Mayor of London to reduce air pollution in the central zone through the implementation of the Ultra Low Emission Zone.	The development of this plan will involve following a complex process – obtaining funding, consultation with all stakeholders, integrated impact assessment, options and approval.	Jon Avern	16-Nov-2015	31-Dec-2018

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	Current Risk score change indicator
CR09 Health and Safety Risk	<p>Cause – Safety is treated as a low priority by the organisation, lack of training of staff and managers, management complacency, poor supervision and management</p> <p>Event – Statutory regulations and internal procedures relating to Health and Safety breached and/or not complied with.</p> <p>Effect – Possible enforcement action/ fine/prosecution by</p>	 <p>Likelihood</p> <p>Impact</p>	12	<p>The risk was reviewed by the SMT on 01/10/15, no change to the assessment at this time</p> <p>External accreditation of the CoL Health and Safety Management System is due to take place in November</p> <p>The Top X risk assessment approach</p>	 <p>Likelihood</p> <p>Impact</p>	8	31-Mar-2016	↔

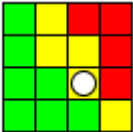
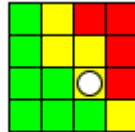
22-Sep-2014 Chrissie Morgan	HSE, Employees/visitors/contractors may be harmed/injured, Possible civil insurance claim, Costs to the Corporation, Adverse publicity /damage to reputation, Rectification costs			is being repackaged to bring the process in line with the Covalent risk management software 13 Oct 2015				
--------------------------------	---	--	--	---	--	--	--	--

Action no, Action owner	Description	Latest Note	Managed By	Latest Note Date	Due Date
CR09A	External verification of the CoL's safety management system	The selection process has been delayed, the delivery date is now likely to be 30-1-16	Oliver Sanandres	25-Nov-2015	30-Jan-2016
CR09B	Rolling programme of departmental compliance audits conducted by the Corporate Health and Safety Unit	Work for this financial year started April 1 2015, the next scheduled Audit is mansion House, which will commence on Dec-14. The rolling programme is on target	Oliver Sanandres	25-Nov-2015	31-Mar-2016

Page 73

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	Current Risk score change indicator
CR01 Resilience Risk 20-Mar-2015 John Barradell	Cause – Lack of appropriate planning, leadership and coordination Event – Emergency situation related to terrorism or other serious event/major incident is not managed effectively Effect – Major disruption to City business, failure to support the community, assist in business recovery	Likelihood  Impact	8	This risk was reviewed by the DMT and the assessment score is rated as unchanged. Preparations are currently underway for the major, multi-agency exercise 'Unified Response' that is planned for next year, dates to be confirmed 20 Nov 2015	Likelihood  Impact	8	31-Mar-2016	↔

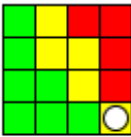
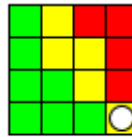
Action no, Action owner	Description	Latest Note	Managed By	Latest Note Date	Due Date
CR01A	Full exercise (Allovus) to test the emergency and business continuity plans across the organisation. The exercise will involve the emergency services	The exercise was completed as planned	Gary Locker	24-Jun-2015	11-Jun-2015
CR01B	Prepare and complete a report for the Summit Group, based on the findings of a review of departmental business continuity planning	Produced	Gary Locker	19-Nov-2015	30-Nov-2015
CR01C	Large scale multi-agency exercise which will test the CoL's Borough Emergency Co-ordination Centre (BECC)	Work has started on arrangements for this large scale exercise	Gary Locker	08-Oct-2015	01-Jun-2016

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	Current Risk score change indicator
CR02 Loss of Business Support for the City 22-Sep-2014 John Barradell	Cause – The City Corporation's actions to promote and support the competitiveness of the business City do not succeed. Event – The City's position as the world leader in international financial services is adversely affected Effect – The City loses its ability to attract and retain high value global business activity, both as a physical location and in mediating financial and trade flows; the City Corporation's business remit is damaged and its perceived relevance is diminished.	 Likelihood Impact	8	Following review the risk assessment/scoring is unchanged The Corporation and the International Regulatory Strategy Group ensure we engage on the key regulatory issues that affect the financial and professional services industry, informing our engagement with policy makers, regulators and the media. ED office is engaged in a programme of work to support, defend and enhance the business city, in accordance with ED Business Plan. 08 Oct 2015	 Likelihood Impact	8	31-Mar-2016	↔

Action no, Action owner	Description	Latest Note	Managed By	Latest Note Date	Due Date
CR02A	Appointment of former Foreign Office Minister, Jeremy Browne, to new position to enhance our engagement with EU policy makers.	Jeremy Browne is now appointed to this role	Giles French	08-Oct-2015	01-Sep-2015
CR02B	City, EU and International Affairs teams have been restructured into City Competitiveness and Regulatory Affairs teams to remove geographical boundaries and provide greater policy focus to work. Job descriptions have been reviewed for same purpose.	This action is now complete	Giles French	08-Oct-2015	01-Sep-2015


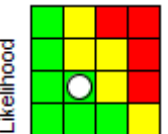
[illegible]

Action no, Action owner	Description	Latest Note	Managed By	Latest Note Date	Due Date
CR10a	Monitoring of Government legislation and proposed regulatory changes. Provision of information to Parliament and Government on issues of importance to the City. Engagement with key opinion informers in Parliament and elsewhere. Programme of work to monitor and respond to issues affecting the reputation of the City Corporation.	Relevant Bills in the Government's legislative programme have been identified and City Corporation departments alerted to issues of potential significance. Briefing has been provided for Parliamentary debates on air quality, immigration, the creative industry, trade and investment, Fintech and broadband. There has been continuing engagement on devolution in London and liaison with London Councils and Central London Forward on the application of devolution to the London boroughs and the City, either directly from central Government or the Mayor.	Paul Double	25-Nov-2015	31-Mar-2016

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	Current Risk score change indicator
<div>Page 76</div> <p>CC17 Safeguarding 22-Sep-2014 Ade Adetosoye</p>	<p>Cause: Not providing appropriate training to staff, not providing effective management and supervision, poor case management</p> <p>Event: Failure to deliver actions under the City of London's safeguarding policy. Social workers and other staff not taking appropriate action if notified of a safeguarding issue</p> <p>Effect: Physical or mental harm suffered by a child or adult at risk, damage to the City of London's reputation, possible legal action, investigation by CQC and or Ofsted</p>	<p>Likelihood</p>  <p>Impact</p>	8	<p>Work is ongoing to raise awareness of safeguarding, through e-learning, briefing sessions and working with partners. Good progress has been made on implementing the actions to mitigate this risk. The target risk rating has been re-evaluated by the People Division Management Team which has resulted in a reduced rating,</p> <p>25 Nov 2015</p>	<p>Likelihood</p>  <p>Impact</p>	8	31-Mar-2016	↔

Action no, Action owner	Description	Latest Note	Managed By	Latest Note Date	Due Date
CR17b	Develop safeguarding e-learning modules and enable staff to access advice and assistance	The majority of staff have undertaken the e-learning modules. Outstanding training will be completed by end of December to include new staff who have joined the Department. This training has been added to the list of Mandatory training for DCCS staff	Chris Pelham	25-Nov-2015	31-Dec-2015
CR17c	3 raising awareness sessions will be delivered to Community and Children's Services staff. These sessions will cover updated Child Sexual Exploitation and Children Missing from home, Education and or Care protocols and referral process which have been updated and circulated to all professionals. A Multi Agency Sexual Exploitation group is now fully functioning.	Completed – All sessions have now been delivered to staff.	Chris Pelham	20-Aug-2015	31-Jul-2015
CR17d	A Multi Agency Briefing Event will be held with over 60 partners attending to launch the new referral process, to highlight the role of the Local Authority Designated Officer and raise awareness Private Fostering and the City of London Thresholds document.	Completed – the briefing session took place on 6 July 2015. Partners welcomed the event and feedback was positive.	Chris Pelham	20-Aug-2015	30-Sep-2015
CR17e	New guidance on the Prevent agenda is being circulated to the City family of schools including the City of London Academies. A leaflet has been produced for parents and carers regarding the Prevent agenda.	Completed – this work has now been completed and the new guidance on the Prevent agenda has been sent to the City of London Family of Schools and the new leaflet has been circulated to parents and carers.	Chris Pelham	20-Aug-2015	10-Jul-2015
CR17f	A review of the City of London Safeguarding Policy will be undertaken with the involvement of the Departmental Safeguarding Champions	Target date for completion 31 December 2015	Chris Pelham	25-Nov-2015	31-Dec-2015
CR17g	Work is ongoing to prepare for an Ofsted Inspection of Children's Services. Concerns have been raised by The Society of Local Authority Chief Executives (SOLACE), Local Government Association (GLA) and Association of Directors of Children's Services (ADCS) about the current Ofsted inspection framework regarding the lack of flexibility and understanding of local demographics and service needs. No Local Authority has been assessed as outstanding since the inspection framework was revised almost 2 years ago.	An update on the Corporate Safeguarding Policy was presented to the Safeguarding sub-committee on 25 September 2015. New guidance on the Thresholds of Need has been promoted and issued to staff and partners, Training sessions for DCCS staff are on-going.	Chris Pelham	25-Nov-2015	31-Mar-2016


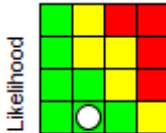
CR17h	Evaluation of Notice the Signs – awareness raising campaign	Completed. An evaluation of the Notice the Signs campaign was presented to the City of London Safeguarding sub-committee of the Community and Children's Services Committee stating the campaign's impact has been significant and resulted in increased numbers of safeguarding alerts	Chris Pelham	25-Nov-2015	31-Oct-2015
-------	---	--	--------------	-------------	-------------

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	Current Risk score change indicator
CR14 Funding Reduction	Cause: Reduced funding from Central Government. Event: Reduced funding available to the City Corporation including Police Services. Effect: City Corporation will be unable to maintain a balanced budget and healthy reserves in City Fund, significantly impacting on service delivery levels.	 Likelihood Impact	6	<p>The financial strategy already addresses this risk for City Fund. Following the service based review and inclusion of these savings in budget estimates, the City Fund (non-Police) remains in balance or close to breakeven across the period. Savings begin to be reflected in the budget for 2015/16, approved by the Court, with full impact by or before 2017/18.</p> <p>There are risks around the implementation of the saving proposals and the achievement of savings will be monitored by the Efficiency and Performance Sub Committee on a regular basis. As savings proposals are implemented, this risk will ultimately reduce further to GREEN. The MTFP currently anticipates the Revenue Support Grant will reduce to £2m by 2019/2020. In the summer budget, the Chancellor announced overall reductions that are less steep than forecast in the March budget. We do not yet know how this affects us until after the comprehensive spending review in the autumn, but we know the deficit reduction programme is over a longer period and the squeeze has eased a little.</p> <p>Further significant cuts are likely to</p>	 Likelihood Impact	4	31-Mar-2018	↔

22-Jun-2015 Peter Kane				<p>Home Office Funding for Police services over the next four years as a result of the Spending Review. The separate review of Police Funding Formula may result in a further reduction. The medium term financial strategy is being updated to address these likely reductions but cannot be finalised until the outcome of the SR and Formula Review is known in late November/December.</p> <p>16 Nov 2015</p>				
---------------------------	--	--	--	--	--	--	--	--

Page 29

Section no, Section owner	Description	Latest Note	Managed By	Latest Note Date	Due Date
CR14a	Scrutiny of the achievement of savings by the Officer SBR Steering Group and Efficiency and Performance Sub-Committee.	Second SBR Monitoring report to be provided to 15 September ESPC. Quarterly cycle of reporting agreed for remainder of 2015/16.	Caroline Al-Beyerty	16 Nov 2015	31-Mar-2016
CR14b	SBR implementation continues with cross departmental work streams to identify further efficiencies in strategic asset management, income generation, and reviews of grants and hospitality.	Progress is monitored by EPSC in full. Grants review is complete, now moving to implement recommendations made. Corporate Finance is liaising closely with Police finance team.	Caroline Al-Beyerty	16 Nov 2015	31-Mar-2016
CR14f	Robust monitoring of delivery of savings proposals – undertaken by Head of Finance, Projects.	Second round of monitoring complete, third round to commence October 2015.	Paul Nagle	16 Nov 2015	31-Mar-2016

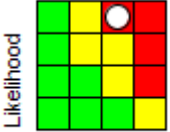
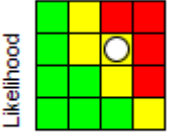
Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
CR16 Information Security 21 Sep-2014 Graham Bell	Cause: Breach of IT Systems resulting in unauthorised access to data by internal or external sources. Officer/ Member mishandling of information. Event: Cyber security attack – unauthorised access to COL IT systems. Loss or mishandling of personal or commercial information. Effect: Failure of all or part of the IT Infrastructure, with associated business systems failures. Harm to individuals, a breach of legislation such as the Data Protection Act 1988. Incur a monetary penalty of up to £500,000. Compliance enforcement action. Corruption of data. Significant reputational damage.	 Likelihood Impact	4	Staff across the Corporation have been through data protection training during 2015. Draft policies and guidance will be published on the intranet in early October for consultation and final sign off by 31 December 2015. Additionally a Cyber Security & Risk Management development workshop for Members is planned for February 2016. However, further work is required to strengthen data retention and ownership procedures in line with Data Protection requirements 30 Nov 2015	 Likelihood Impact	2	28-Feb-2016	↔

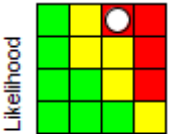
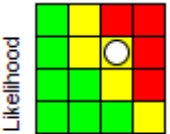
Action no, Action owner	Description	Latest Note	Managed By	Latest Note Date	Due Date
CR16a	Review and refresh existing policy around cybersecurity and technology infrastructure risk in partnership with Agilisys.	Consultation in October with final sign off by 31 December 2015.	Christine Brown	16 Nov 2015	31-Dec-2015
CR16b	Review and strengthen Data Retention, Management and Ownership.	Recent staff training builds a foundation, now specific actions and information owners need to be defined.	Christine Brown	30-Nov-2015	31-Dec-2016



Risk Traffic Light: Red 11

Risk No, Title, Department, Risk creation date	Description (Cause, Event, Effect)	Current Risk Score		Risk Owner	Risk update and risk update date	Target Risk Score		Target date	Current Risk score indicator
<div>Page 81</div> <div>PCS PE 002</div> <div>Failure to deliver expansion of Sir John Cass Foundation Primary School to 2 form entry in September 2016</div> <div>Department of Community & Children's Services</div> <div>Creation Date</div> <div>11-Jun-2015</div>	<div>Cause Expansion not delivered</div> <div>Event Building project not completed</div> <div>Effect Lack of first choice school places for City children</div>	<div>Likelihood</div> <div><div><div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div></div></div></div> <div>Impact</div>	24	Ade Adetosoye	Attempts to achieve the target are ongoing.	<div>Likelihood</div> <div><div><div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div></div></div></div> <div>Impact</div>	2	31-Mar-2016	<div>↔</div>
					25-Nov-2015				

Risk No, Title, Department, Risk creation date	Description (Cause, Event, Effect)	Current Risk Score		Risk Owner	Risk update and risk update date	Target Risk Score		Target date	Current Risk score indicator
GSMD EF 001 Failure to Secure Lease Renewal of Sundial Court in 2020 Guildhall School of Music and Drama Creation Date 09-Jul-2015	Cause: Sundial Court , (the School's student accommodation), is owned by a private landlord, who currently leases the building to the School. Lease expires in 2020. Event: Landlord may not want to renew the lease to the School as there may be better development potential elsewhere. Alternative specialist music student accommodation might not be found. Impact: Loss of on-campus student accommodation for 177 students. Loss of student services and offices. Loss of student union facility and rehearsal room. Risk of reduced interest in students choosing GSMD if there is no onsite accommodation available.	 Likelihood Impact	16	Michael Dick	Risk 3.3 on Departmental Risk Register Legal opinion on lease renewal terms obtained. Alignment of repairs and maintenance regime with lease terms. Contact and dialogue with landlord's agent on issues relating to lease renewal. Engagement with City Surveyors on action plan. Student accommodation strategy in development. 30-Nov-2015	 Likelihood Impact	12	05-Apr-2017	↔

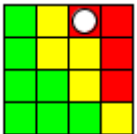
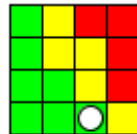
Risk No, Title, Department, Risk creation date	Description (Cause, Event, Effect)	Current Risk Score		Risk Owner	Risk update and risk update date	Target Risk Score		Target date	Current Risk score indicator
GSMD FN 001 Ability to Deliver a Balanced and Sustainable Model over the School's Business Cycle Guildhall School of Music and Drama Creation Date 12-Mar-2015	Cause: Substantial drop in income. Pressures on expenditure. Service Based Review funding cuts of £1m in 17/18. Local risk funding to the School is planned to reduce from over £8m in 2013/14 to £5.3m in 2017/18. Failure to gain additional funding from HEFCE. Event: If no action is taken, the School's annual deficit will rise to £3.2m by 2017/18. Impact: This is not a sustainable position and the Higher Education Funding Council for England	 Likelihood Impact	16	Barry Ife	Risk 1.1 on Departmental Risk Register The School and the CoL are in direct discussions with HEFCE. Up to date communication and reporting to the Board, CoL and HEFCE. Ongoing discussion and negotiation to effect funding model. Continual review and management of the School's business model. On current funding levels, the School's longterm financial model is unsustainable. This has been materially exacerbated by the City's Service Based Review (SBR) target, reducing City funding to the School by £1m in 2017/18. Over the last year the School	 Likelihood Impact	12	31-Jan-2016	↔

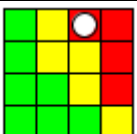
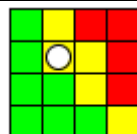
	(HEFCE) have been made aware.				has engaged with both HEFCE and the City to determine a strategy that will re-balance the model. Although a number of options have been discussed, these discussions with the School's primary funders are crucial in determining future strategy. Discussions have been initiated with HEFCE concerning the possibility of increased public funding as part of its review of institution-specific targeted allocations (RISTA) scheduled for 2015/16. in the interim the School is working to ensure that the quality of its teaching and the strength of its brand holds within the current volatile environment. The School has put together a plan of action for investing in its capabilities to ensure that it retains its leading position in a competitive environment.				
					30-Nov-2015				

Page 683

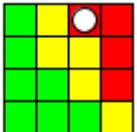
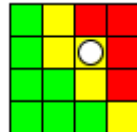
Risk No, Title, Department, Risk creation date	Description (Cause, Event, Effect)	Current Risk Score		Risk Owner	Risk update and risk update date	Target Risk Score		Target date	Current Risk score indicator
MCP-NS 001 Workplace Traffic Management Department of Markets and Consumer Protection Creation Date 24-Feb-2015	Cause: Over 200 forklift trucks operate on the New Spitalfields Market site. Event: There is a serious risk of injury or death of a pedestrian if vehicle movements in this constrained space are not appropriately managed and controlled. Effect: An accident involving a pedestrian and a vehicle which resulted in a serious injury or fatality could result in prosecution, a fine, reputational damage for the City and have an adverse impact on the operation and sustainability of the service.	<div><div>Likelihood</div><div>Impact</div></div>	24	Robert Wilson	<p>The new Superintendent has reviewed the evidence of incidents since his arrival at the Market and considers that the impact rating should be changed to “extreme” in view of the likelihood of a serious injury or death of a pedestrian from current fork lift truck movements.</p> <p>There have been two recent presentations to all tenants in the Market by Labyrinth Logistics Consulting, an external Health and Safety logistics expert, to present their recommendations on possible methods of segregating pedestrians and fork lift truck movements within the Market. From these presentations and the views expressed we are now in the process of preparing an</p>	<div><div>Likelihood</div><div>Impact</div></div>	8	02-Jan-2017	↔

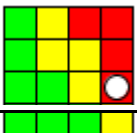
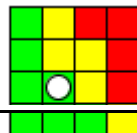
					action plan, to be agreed with the tenants and Tenants' Association, on how these recommendations can be implemented at the earliest opportunity to significantly reduce the risk to pedestrians from fork lift truck movements.				
					9-Dec-2015				

Risk No, Title, Department, Risk creation date	Description (Cause, Event, Effect)	Current Risk Score		Risk Owner	Risk update and risk update date	Target Risk Score		Target date	Current Risk score indicator
MCP-SM 001 HGV Unloading Operations Department of Markets and Consumer Protection Creation Date 24-Feb-2015	Cause: A lack of suitable and sufficient training and adequate management controls in relation to Heavy Goods Vehicle banksman activities undertaken by staff employed by Smithfield Market tenants. Event: Serious or fatal injury to members of the public, market staff and other service users caused by uncontrolled or unguided reversing vehicles. Effect: Realisation of this risk could result in a prosecution, fine and reputational damage for the City.	 Likelihood	16	Matthew Hill	Reviewed by M. Hill 26/10/15 The market constabulary are currently monitoring these areas as part of their routine patrols and are halting any unsafe acts they observe. 26-Oct-2015	 Likelihood	4	31-Dec-2015	↔

Risk No, Title, Department, Risk creation date	Description (Cause, Event, Effect)	Current Risk Score		Risk Owner	Risk update and risk update date	Target Risk Score		Target date	Current Risk score indicator
OSD 005 Animal, Plant and Tree Disease Director of Open Spaces Creation Date	Causes: Inadequate biosecurity, buying of infected trees, plants or cattle, spread of windblown Oak Processionary Moth (OPM) from adjacent sites Event: Sites become infected by animal, plant or tree diseases	 Likelihood	16	Sue Ireland	OPM is being actively monitored on our sites. Meetings continue with the Forestry Commission and this remains a high priority for officers. No change to risk score	 Likelihood	6	01-Apr-2016	↔

10-Mar-2015	Impact: Public access to sites restricted, animal culls, tree decline, reputational damage, cost of control of invasive species, risk to human health from OPM or other invasives				25-Nov-2015				
-------------	--	--	--	--	-------------	--	--	--	--

Risk No, Title, Department, Risk creation date	Description (Cause, Event, Effect)	Current Risk Score		Risk Owner	Risk update and risk update date	Target Risk Score		Target date	Current Risk score indicator
OSD EF 008 Invasive Non Native Species (INNS) Director of Open Spaces Creation Date 19-Aug-2015	Causes: Lack of adequate controls on international trade encourages transmission of invasive non-native species; inadequate site biosecurity often through conscious public release of INNS within Forest Event: Sites become occupied by INNS which can lead to the decline, hybridisation or loss of key native species due to out-competition/disease transmission. Some INNs have health protection issues particularly moths producing urticating hairs and terrapins carrying <i>Salmonella</i> (DT 191a) Impact: loss or decline of key species; temporary site closures; increased costs of monitoring and control. Threat to existing conservation status of sites.		16	Paul Thomson	Monitoring programmes remain in place. Spread of INNS continues to be a risk. To be reviewed divisionally 25-Nov-2015		12	31-Mar-2016	↔

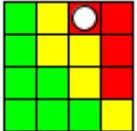
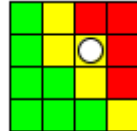
Risk No, Title, Department, Risk creation date	Description (Cause, Event, Effect)	Current Risk Score		Risk Owner	Risk update and risk update date	Target Risk Score		Target date	Current Risk score indicator
OSD NLOS 007 Hampstead Heath Bathing	Cause: Lack of suitably experienced and qualified lifeguarding staff at Hampstead Heath Bathing Ponds.		16	Bob Warnock	Prior risk mitigation still in effect. Red risk status to be reviewed at SLT, likelihood may be dropped to 1		4	01-Apr-2016	↔

Ponds Director of Open Spaces Creation Date 10-Aug-2015	Members of the public swimming in unauthorised areas. Swimming outside of designated zones. Swimmers fail to pay attention to acclimatisation requirements. Event: Unable to effect safe rescue of swimmers. Death or serious injury of swimmers in ponds. Impact: Death or injury to members of the public or staff who enter water. Possible legal challenge. Emotional impact on staff. Reputational risk.				25-Nov-2015			
---	--	--	--	--	-------------	--	--	--

Risk No, Title, Department, Risk creation date	Description (Cause, Event, Effect)	Current Risk Score		Risk Owner	Risk update and risk update date	Target Risk Score		Target date	Current Risk score indicator
SUR SMT 005 Recruitment and retention of property professionals City Surveyor's Creation Date 17-Mar-2015	Cause: A strong property and construction market Event: Increasingly attractive remuneration packages offered elsewhere Impact: Increased vacancies, objectives unachieved or delivered late, reduced customer satisfaction	 Likelihood Impact	16	Peter Bennett	This risk identifies the continuing turnover of staff as a result of the strong property market. The department is developing strategies specific to the department that have a particular focus on talent management, reward and retention. There is also a focus on identify projects or work where value can be added by outsourcing. The department now has an action plan in place which includes the introduction of career grading and individual reward packages. 19-Oct-2015	 Likelihood Impact	4	31-Mar-2016	↑

Risk No, Title, Department, Risk creation date	Description (Cause, Event, Effect)	Current Risk Score		Risk Owner	Risk update and risk update date	Target Risk Score		Target date	Current Risk score indicator
SUR SMT 009 Failure of implementation and management	Cause: Implementation and subsequent management of Oracle Property module to meet business needs	 Likelihood Impact	16	Nicholas Gill	Open issues on the new system have been progressed however there are still some unresolved issues that are being finalised as follows:	 Likelihood Impact	8	TBC	↔

of the Oracle Property Management System City Surveyor's Creation Date 03-Mar-2015	Event: Inappropriate technological solution or unsuccessful project management or failure to implement an appropriate management framework Impact: Unable to manage property portfolio / loss of income and poor property maintenance				1) Data Validation – Corporate properties in progress as part of Archibus 2) Service Charge – In User Acceptance Testing (UAT) 3) Argus Interface – In UAT 4) Archibus Interface – In UAT 5) OPN Reports – fifteen live, remainder in UAT 6) Defects – revisions being concluded The programme closed at the end of September, we are now moving into a Business As Usual model. 19-Oct-2015			
--	--	--	--	--	--	--	--	--

Risk No, Title, Department, Risk creation date	Description (Cause, Event, Effect)	Current Risk Score		Risk Owner	Risk update and risk update date	Target Risk Score		Target date	Current Risk score indicator
Page 87 Asbestos Management City Surveyor's Creation Date 12-Nov-2015	Cause: Asbestos present in properties hasn't been managed correctly, with a suitable survey, remedial action undertaken where risks identified and re-inspection undertaken and recorded. Possible exposure of employees & contractors has led to a report being issued to the HSE under RIDDOR Event: Exposure to asbestos can lead to serious health risks or death Effect: This could result in prosecution, a fine, reputational damage for the City and have an adverse impact on the operation of business	Likelihood  Impact	16	Peter Bennett	Report issued to HSE under RIDDOR All high risk asbestos areas identified have had suitable remedial work undertaken to reduce & control the risk. A gap analysis has been undertaken to identify where asbestos surveys or re-inspections are not suitable or up to date. A new asbestos surveying contractor has been appointed to undertake all surveys, under a short term contract via Procurement. All asbestos data has been identified and collated to Micad Compliance module to provide a single source for all documentation. A new Health and Safety Manager is currently being appointed. This risk will be reviewed again on commencement of this position. 12-Nov-2015	Likelihood  Impact	12	30-Apr-2016	↔

Committee(s)	Dated:
Audit & Risk Management	26 th January 2016
Subject: CR20 – Road Safety	Public
Report of: Director of the Department of Built Environment and City of London Police	For Information
Report Authors: Wayne Chance - Temporary Assistant Commissioner Steve Presland - Transportation & Public Realm Director	

Summary

This report considers actions proposed to mitigate corporate risk CR20: Road Safety and progress made to date against previously agreed actions.

The report recognises that casualties will continue to happen on City Streets for the foreseeable future. However, it also sets out a clear approach which aims to reduce both the number and severity of casualties on City streets. The report also sets out proposals to strengthen our public relations activity in order to both increase awareness of the wide range of activities being undertaken or planned to reduce road danger and also to heighten awareness of the issue amongst those using City streets.

Recommendation(s)

Members are asked to note the report.

Main Report

Background

1. The City Corporation has agreed clear targets for reducing casualties on its streets. These are set out in the City of London Local Implementation Plan (LIP) 2011 and the targets are designed to be consistent with the Mayor of London's Transport Policy.
2. The current targets require the Corporation:
 - to reduce the total number of persons injured in road traffic collisions to 30% below the 2004–2008 average by 2020, i.e., to a three-year rolling average of 258.0 casualties per annum by 2020.

- to reduce the number of persons killed or seriously injured in road traffic collisions to 50% below the 2004–2008 average by 2020, i.e., to a three-year rolling average of 24.7 casualties per annum by 2020.

To put these figures into context the respective three year rolling average figures using data from 2012-2014 is a total of 386 casualties per annum and 58 KSI (Killed or Seriously Injured) per annum.

3. The City has invested in road danger reduction for many years. This has included a wide range of engineering measures such as:

- Junction redesign – e.g. Holborn
- Introduction of our award winning contraflow cycling lanes scheme to move cyclist away from more trafficked streets
- A programme of courtesy crossings to slow traffic at pedestrian crossing points
- Highway redesign e.g. Cheapside

4. In addition to engineering solutions we have maintained an innovative and highly respected Education, Publicity and Training programme. This programme includes visiting businesses to raise awareness of road safety issues with their staff as well as visits to schools and community groups.

City Police have also been active in both enforcement and educational activities. In particular City Police have actively enforced the City's 20 mile per hour speed limit and more recently have commenced a specific enforcement campaign targeted towards Heavy Goods Vehicles.

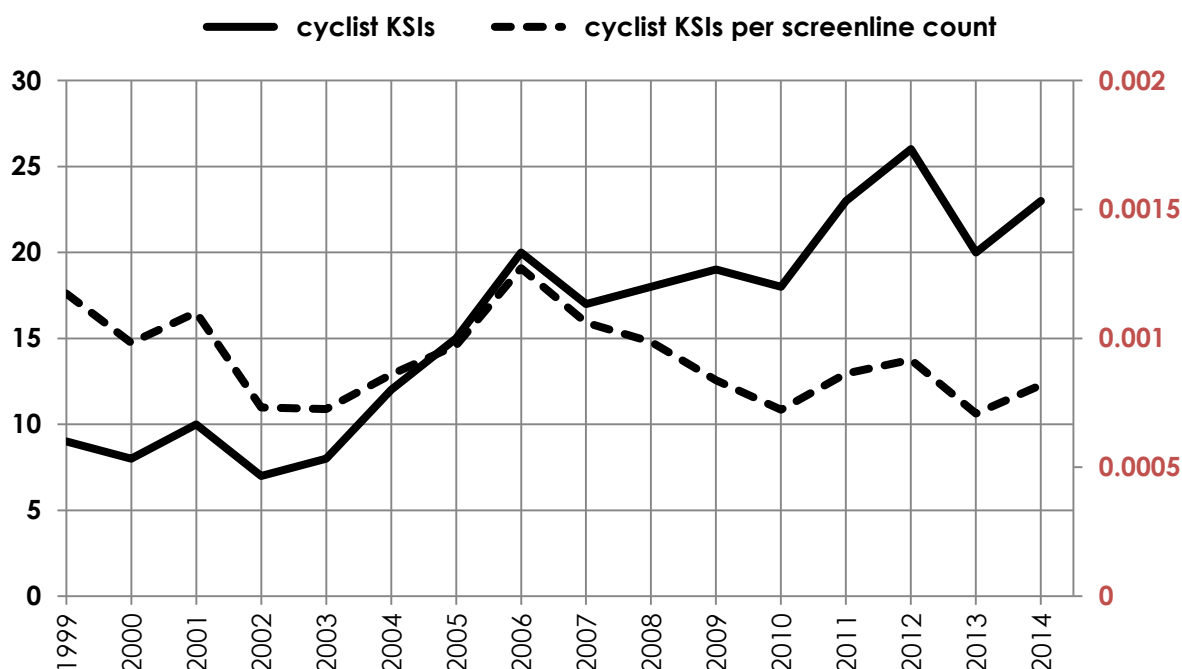
5. These programmes have seen accidents reduce from 458 at the turn of the century to 390 in 2014. However, these figures mask the fact that in recent years casualty reductions have not fallen as quickly as anticipated and at current projections, we will not meet our LIP targets.
6. Considering the City in the context of London as a whole, the most recently available data sets out that, within greater London there was a 13% increase in total casualties between 2013 and 2014. The figure for Inner London is 11% and for the City 13% so unfortunately the City very much mirrors the general trend although significantly better than neighbouring authorities such as Tower Hamlets, Camden and Hackney whose reported increases are 20%, 20% and 15% respectively.

7. It is important also to note the current profile of casualties by mode. See table below:-

Year	2010	2011	2012	2013	2014
Fatal					
Pedestrian	1	0	2	0	1
Cyclists	0	0	1	1	3
Other Road Users	0	0	0	0	0
Total Fatal	1	0	3	1	4
Serious					
Pedestrian	17	12	17	22	18
Cyclists	18	23	25	19	20
Other Road Users	5	14	13	18	13
Total Serious	40	49	55	59	51
Slight					
Pedestrian	95	86	83	70	95
Cyclists	109	126	124	106	116
Other Road Users	135	148	158	109	124
Total Slight	339	360	365	285	335
Grand Total	380	409	423	345	390

8. The above table needs to be seen in the context of the dramatic rise in cyclist numbers over recent years i.e. there has actually been a drop in casualty rate for cyclists. The City counts the number of cyclists entering the City at the same 12 screening points annually. This data, whilst not representing the total number of cyclists, provides a reliable reference for cycling volume growth. Therefore, in considering cyclist KSIs the table below indicates the trend in KSIs over recent years. The data in the table is derived from taking cyclist KSIs per annum divided by the total cyclists passing the screening points. It can be seen that whereas the total cycling KSIs have shown a significant increase over the term the KSI rate has broadly begun to plateau.

Cyclist KSIs 1999-2014



9. However, the Mayor's target, and the City's, are absolute numbers and not set as percentage reductions. Therefore, there has to be recognition that if we are to achieve the challenging targets set we must adopt a different, more innovative and perhaps more radical approach.
10. In 2014 the City commenced this new approach with the introduction of a 20MPH speed limit. However, this alone has not delivered the necessary reduction in casualties. Whilst speed limits have reduced by more than expected, the resultant reduction in casualties has not been achieved, perhaps masked by increased cyclist and pedestrian numbers.
11. In June 2014 a further tragic cyclist death, this time at Bank Junction, resulted in a further review of our road danger reduction activities. It was recognised that further urgent action was needed to reduce casualties in the City. On this basis, a new corporate risk (CR20) was agreed. To mitigate this risk it was acknowledged that not only did we need to take new and more effective measures but that there was the risk of reputational damage if stakeholders did not recognise and accept that the City was taking this matter extremely seriously and was taking effective action to reduce road danger in the City.

Progress on Mitigating Controls

12. The City Corporation's Road Danger Reduction 2015/2016 work programme and 2015 joint Corporation and City of London Police Education, Training and Publicity programme are attached at Appendices One and Two.

13. Within the 2016/17 publicity programmes a greater focus will be given to where we run our events and how they are structured to increase their public visibility and engagement.
14. Within the programme set out at Appendix 1 there are a number of key elements, some of which will run into 2016/17, as follows:-

- i. Bank Junction

The main project seeks to address the following objectives:-

- Reduction in casualties
- Reduced pedestrian crowding levels
- Improved air quality
- Improved perception of place as a place to spend time in rather than pass through.

The project has been approved at Gateway 3 but will not reach Gateway 5 until 2018. If approved build is unlikely to complete before 2020. In the meantime, an experimental scheme has approval at Gateway 2 to be developed in parallel. This would deliver the majority of the above objectives and is based upon restricting motorised vehicle movement through all or part of the junction during the working day to buses and/possibly Taxis. If approved this scheme could be delivered in late 2016 and would deliver an estimated 60% casualty reduction at the junction.

- ii. Co-Ordinated CoL and CoL Police Programmes

For many years, CoL and COLP staff have supported each other in the delivery of road danger reduction work programmes. An officer Road Danger Reduction Partnership was formed in 2013, which included Senior Fire Authority, City Police and CoL Officers as well as representatives from Crossrail, TfL and the GLA. The partnership is seeking to deliver a fully integrated programme of measures for 2016/2017. In addition, work to deliver a jointly located City Police and City Corporation Road Safety/Safer Transportation Group is moving toward conclusion. It is envisaged this work will conclude before Easter 2016.

- iii. Safer Driving in City Contracts

There has been some delay whilst TfL have been considering the legality of including requirements in relation to work related road risk in contract procurement. Wording has now been received which would require bidders to have specific regard to Work Related Road Risk and this is currently being considered by the City Procurement team. It is hoped to have this in place by the end of April 2016.

iv. Effective Communication Strategy

A draft communication plan has been prepared and is to be further developed by the Corporation's Director of Communications in January/February 2016. In the meantime, monthly email alerts are being issued in addition to a weekly twitter feed promoting the Corporation's Road Safety Activities.

Future Actions

15. To drive the service forward a new management post is to be introduced which will lead a newly formed 'Road Safety and Behavioural Change team. The new post will have the level of seniority and possess the necessary skills needed to build strong partnership approaches with TfL, the City of London Police and City businesses aimed at driving down road danger. The new post will also have a particular focus on intelligence led decision making with accident data and trend analysis being a significant part of the role. The post holder will also be specifically tasked with exploring how behavioural change (particularly concerning pedestrian and cyclist inattention) might be better addressed in future work programmes.
16. Officers will be seeking even closer working with TfL. 48% of all City casualties are on TLRN (TfL Road Network) roads where CoL has no jurisdiction. Corporation Officers have secured TfL representation on the City's Road Danger Reduction Partnership Board and it is intended through this process to deliver real improvements to safety in their network.
17. One initiative that TfL has taken is the introduction of Cycle Super Highways running both North to South (Farrington Street) and East to West (Upper and Lower Thames Street) TfL expect the measures to reduce danger for cyclists and other users but no evidence exists to support this expectation. .
18. Enforcement of the City's ban on vehicles over 7.5 tonnes entering the City unless they have a City destination has already commenced. Warning letters have been issued in relation to 10 offences reported by City Police prior to December 2015. From January 2016 Penalty Charge Notices will be issued to those reoffending after receiving formal warning letters.
19. Whilst the worst junctions (Holborn, Bank, Aldgate) have been or are being completed, officers are reviewing the accident profile of all junctions and connecting streets within the City to identify opportunities for further targeted engineering action. This will involve detailed analysis with the police. This work should conclude by April 2016.
20. Developers' construction logistics plans have been reviewed. Delivering safer routing for HGVs. This work will link with the Corporation's developing freight strategy and encouragement of a move towards the use of consolidation centres. Together these measures should reduce HGV movements across the City. Already all construction logistics plans have been revisited to ensure no unnecessary movement taken place through Bank Junction.

21. One of the keys to reducing accidents in the City may be focused training and education of City workers supported by the business community. The Institute of HR directors has recently agreed to include promotion of road safety as one of its key themes in 2017. A possible approach may be with businesses reducing workers access to their cycle parking spaces unless they become City accredited. This approach is to be explored with the Institute in early 2016.
22. A further report setting out our Road Danger Reduction programme for 2016/17 is programmed for the February Planning and Transportation Committee and this will reflect much of the content of this paper and will be further informed by the views of this Committee.

Conclusion

23. The City has challenging casualty reduction targets, which will not be met without new and more radical interventions.
24. The Road Danger Reduction Partnership is working to deliver a fully co-ordinated programme between the City Police and Corporation Officers. This it is believed will be further enhanced by joint location early in the New Year.
25. A wide range of measures are now being developed in an attempt to reduce the number and severity of casualties in City streets.
26. Whilst educating and training both City workers and residents will remain a key strand of the Corporation's drive to reduce road danger it is recognised that intelligence led decision making must increasingly drive the work programme.
27. The road danger reduction programme must be effectively communicated such that not only is the City taking effective RDR measures but it is seen to be taking these measures with the intention of becoming a beacon of excellence for others in London to follow.

Appendices

- Appendix 1 – Road Danger Reduction Programme - Updated Schedule
- Appendix 2 – Education, Training and Publicity Programme
- Appendix 3 – CR20: Road Safety Risk

Background Papers

None

Steve Presland

Transportation & Public Realm Director

T: 020 7332 4990

E: steve.presland@cityoflondon.gov.uk

Wayne Chance

Temporary Assistant Commissioner

T: 020 7332 2002

E: wayne.chance@city_of_london.pnn.police.uk

Road Danger Reduction Programme - Updated Schedule

RDRP Ref.	Objective	Expected outcome	Timeframe
1	<p>Refocus Road Safety team to conduct safety monitoring of streets within the City to identify danger hotspots and possible remedial measures.</p> <p>City of London Corporation Road Safety Team to produce a programme of Street Audit/ safety monitoring within the City, identify danger hotspots and recommend remedial measures.</p>	Safer streets	Annual Programme
2	<p>Investigate 20 mph speed limit/zone</p> <p>Completed - Introduced 20 mph July 2014</p>	Safer streets and people	July 2014
3	<p>Produce 20mph Outcome Report</p> <p>Introduction of 20 mph report</p>	Safer streets and people	31 Oct 15
4	<p>More focused and evidence based enforcement/ETP activity, with a strong emphasis on cyclists, those on foot and motorcyclists.</p> <p>Road Danger Reduction Partnership will deliver a programme of enforcement, Education, Training and Promotions with more focused and evidence based activity having a strong emphasis on vulnerable users, cyclists, those on foot and motorcyclists.</p>	Safer streets and people	Annual Programme
5	<p>Investigation and development of measures for implementation in the medium and longer term, including better data collection and analysis, development of a pedestrian model and commencement of a programme of street auditing looking first at junctions with high casualty rates and at least one key cycle route across the City.</p> <p>Design and procurement of a pedestrian modelling tool to assist decision making for future planning and development for the City and to analyse behavioural activities.</p>	Safer streets and people	<p>2016</p> <p>March 2016</p>

	<p>City Corporation and Police to jointly review casualty data to improve information on causation factors.</p> <p>A database of cycle counts across the City and collision data involving cyclists has been collated and analysis of these data sets has commenced.</p>		
6	<p>Implement approved engineering measures; both large and small – e.g. Aldgate Gyrotory, 2-way cycling, advance cycle stop lines.</p> <p>2 way cycling in City streets</p> <p>Informal pedestrian crossings at Goswell Road.</p> <p>5 Broadgate highway changes</p> <p>Courtesy Crossings Study.</p> <p>Newgate Street/Warwick Lane</p> <p>Cycle Quiet Ways</p>	Safer streets	31 Mar 16
7	<p>Review management of road works, temporary reinstatements and construction sites, including road safety elements of the Considerate Contractors scheme; to deliver better safety outcomes.</p> <p>The Guidance Notes for activities on the Public Highway, which includes scaffolds and hoardings for building sites, it is to be reviewed to include a wider set of safety issues by December 2015.</p> <p>The Considerate Contractors Scheme (CCS) requires interaction at the building sites and a standard to be put in place to promote and publicise RDR.</p>	Safer streets	31 Dec 15
8	<p>Review the safety aspects of the operations and contracts undertaken using vehicles within the City, ensuring that all drivers are trained in relation to cycle safety and the fleet is fitted with appropriate safety measures such as reverse cameras, audible warning, and ‘Fresnel’ mirrors.</p>	Safer people	31 Mar 16

	<p>Safer Urban Driver Training (SUD).</p> <p>A programme of cycle safety training for other contractors and sub-contractors with a view to training all driver's during 2014 onwards. – on-going</p> <p>Fitting safety equipment to all CoL vehicles - complete</p> <p>Introducing CLOCS to City Procurement</p>		<p>31 Aug 15</p> <p>31 Mar 16</p>
9	<p>Engagement with TfL to secure improvements on the TLRN and to lobby for the optimisation of signal timings to improve road safety.</p>	Safer streets	31 Mar 16
10	<p>Report annually on the progress of the City Road Danger Reduction Partnership.</p> <p>Road Danger Reduction Report to be submitted to committee.</p>	Safer streets and people	Feb 2016
11	<p>Strengthen work with the City Police at an operational and strategic management level.</p> <p>Considerate Contractor Scheme & CoLP Commercial Vehicle Unit partnership.</p>	Safer streets and people	Ongoing
12	<p>Agree freight strategy.</p>	Safer streets and people	31 Mar 16

Appendix 2

Education, Training and Publicity Programme - Department of the Built Environment in partnership with City of London Police.

January 2015 – December 2015

Notes:

1. DBE - RST is City Corporation, Department of Built Environment Road Safety Team
2. CoL Police is the City of London Police – various divisions and teams
3. Lead may be joint between the Road Safety Team and Police and mutually supportive
4. Some activities are delivered by Police under 'business as usual', then a campaign when intelligence indicates requirement. For example cycle lights enforcement in October and November each year
5. TISPOL is the European Traffic Police Network
6. ACPO is the Association of Chief Police Officers (UK) [ACPO no longer exists this work is now being done by National Police Chiefs' Council (NPCC)]

Generic Monthly Schedule

Activity	Period	Lead	Stakeholder/ Location
Operation Atrium	Each month. Typically educate/promote for 2 weeks beforehand	CoL Police	DBE - RST
Exchanging Places	2 each month	CoL Police	London Fire brigade, DBE - RST
Highways Monitoring	Through each month	DBE - RST	Actions by CoL, DBE and Police
National TISPOL and ACPO Campaigns Detail below -	Through the year. E.g.: seatbelt, speeding, Carriage of Dangerous Goods, HGV Ops, Coach & tourist ops, summer & winter drink drive campaigns.	CoL Police and some by DBE - RST	
Safety Audits	TBA – most weeks, varies	DBE - RST	
Business Exhibitions	TBA – typically each month	DBE - RST	

Medium Term Activities

Activity	Period	Lead	Stakeholder/ Location
City Cycle Forum – user group meeting	Jan, then TBA	DBE - RST	User Groups meet CoL, CoL Police
Safer City Partnership meeting	As scheduled	DBE - RST and CoL Police	
Capital City Cycle Safe Campaign	Each month – complements Operation Atrium inc cycle and vehicle driver behaviour	CoL Police	DBE - RST
Bikability Cycle Training for children and adults	All year	DBE - RST	
Tourist Cycle and Pedestrian Campaign. Includes Op Coachman and Op Tourist	Ongoing HGV checking complemented by Mar, Jul for Coachman and Tourist resp.	CoL Police	DBE - RST
Operation Mermaid (condition and hours worked compliance)	Feb, Mar, May, Jul, Oct	CoL Police	
Operation Giant (licencing and insurance compliance)	Each month - 3 per month	CoL Police	
Bike Safe – bike registering	Aug (tbc)	CoL Police	
Bus and Trucks - TISPOL	Feb, Jul, Oct	CoL Police	
Speed Campaign – TISPOL	Apr and Aug	CoL Police	
Seatbelts - TISPOL	Mar and Sep	CoL Police	
Drink/Drug drive ACPO and TISPOL	ACPO-Jun (through month), Dec (through month). TISPOL-Jun (1week) and Dec (1 week)	CoL Police	
Carrying Dangerous Goods – ACPO campaign	Feb, Apr, Sep, Nov	CoL Police	

'Happy Feet' Pedestrian Training	Jan (4days), Feb (8days)	DBE - RST	Sir John Cass, Charterhouse Square, St Pauls School
Highways/ Streetworks training	Feb (Pilot), then TBA	DBE - RST	
Bus Backs campaign	Aug	DBE - RST	
Railway Station Pedestrian Campaign	Oct (through month), Dec (through month)	DBE - RST	CoL Police support on occasions

Short-Term

Activity	Period	Lead	Stakeholder/ Location
'High Vis' Ped and Cyclist Campaign	Jan (5 days) - Done	CoL Police	
Charterhouse Square Schools Safety Meeting	Jan (one off) - Done	DBE - RST	
'City Citizen' Pedestrian Training. Year 3 Children	Jan (one off) – Done, future dates tbc	DBE - RST	Sir John Cass School
'City Citizen' Key Stage 3 Pedestrian Training – older audience	April, May,	DBE - RST	CoL Police
Exchanging Places Heading Home	14 th January (one-off)	CoL Police	DBE - RST
National Women's Day	Mar	DBE - RST	CoL Police
Road safety day, John Cass school	Mar	DBE - RST	CoL Police
London Marathon	Apr	DBE - RST	CoL Police
Adult Learners Fayre	May	DBE - RST	
Hampstead Heath safety day	May, Oct	DBE - RST	Hampstead Heath Users
Road safety day, City of London school for Girls	June	DBE - RST	CoL Police
National Bike Week	June	DBE - RST	CoL Police
CAPT Child Safety Week	June	DBE - RST	CoL Police
Road danger reduction day	June	DBE - RST	CoL Police
Cycle Hire Safety	Jun, Aug	DBE - RST	

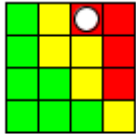
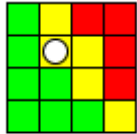
Children's Safety Day (Wood Street)	Jun	DBE - RST	CoL Police
St Paul's Summer Fete	Jul	DBE - RST	CoL Police, LFB
Barbican Residents Safer Cycle Sunday	July	DBE - RST	CoL Police
St Paul's road danger reduction day	July	DBE - RST	CoL Police
Be Safe Week	Aug	DBE - RST	London Transport Museum, TfL
Bus Backs Campaign	Aug	DBE - RST	
Prudential Ride London	Aug	DBE - RST	CoL Police
Back to School Pedestrian Campaign	Sept (two weeks)	DBE - RST	CoL Police
City Life Family Festival	Sept	DBE - RST	CoL Police
Lord Mayor's Show	Nov (one day)	DBE - RST	CoL Police
Car Cutting Safe Driving Event	Nov, Dec	LFB	CoL Police, DBE - RST
BRAKE (Road Safety week)	Nov	DBE - RST	CoL Police



CR20 Road Safety

Report Author: Richard Steele

Generated on: 05 January 2016

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	Current Risk score change indicator
CR20 Road Safety 23-Oct-2015 Carolyn Dwyer	<p>Cause: Limited space on the City's medieval road network to cope with the increased use of the highway by vehicles and pedestrians / cyclists within the City of London. Interventions & legal processes take time to deliver</p> <p>Event: The number of casualties occurring in the City rises instead of reducing.</p> <p>Effect: The City's reputation and credibility is adversely impacted with businesses and/or the public considering that the Corporation is not taking sufficient action to protect vulnerable road users; adverse coverage on national and local media</p>	<p>Likelihood</p>  <p>Impact</p> <p>16</p>	<p>Risk unchanged. Email and twitter communications have commenced, also Christmas Safety Campaigns.</p> <p>11 Dec 2015</p>	<p>Likelihood</p>  <p>Impact</p> <p>6</p>	21-Dec-2016	<p>↔</p> <p>No change</p>

Action no, Title, Owner	Description	Latest Note	Managed By	Latest Note Date	Due Date
CR20a Joint Safer Transport Team	Implement a joint City of London Corporation & City of London Police Road Safety/Safer Transport Team	Awaiting final City Police numbers for colocation and confirmation of IT needs.	Steve Presland	17-Nov-2015	15-Jan-2016

CR20b Permanent Bank Junction redesign	Permanent Bank Junction redesign	Same target date. Gateway 3 Report for Committees drafted and submitted	Steve Presland	17-Nov-2015	30-Nov-2018
CR20c Interim Bank Junction redesign	Working with TfL to explore and, where practicable, deliver short term design/operational improvements to Bank Junction	Gateway 2 committee report submitted to Members	Steve Presland	17-Nov-2015	21-Dec-2016
CR20d Road Safety Communications Strategy	Work with the Corporation's Public Relations Office to deliver a Road Safety Communications Strategy	Strategy being reviewed by City of London Communications Director. First monthly email issued and weekly twitter feed commenced.	Steve Presland	11-Dec-2015	30-Nov-2015
CR20e City Contracts	Explore embedding vehicle and driver safety in all City of London Corporation contracts	TfL have now issued guidance on best practice for inclusion of Work related road risk into new contracts and meeting scheduled November 2015 to discuss implementation with Corporate procurement Unit	Steve Presland	17-Nov-2015	30-Apr-2016

Committee	Dated:
Audit and Risk Management Committee	26 January 2016
Subject: Regulation of Investigatory Powers Act 2000	Public
Report of: Deputy Town Clerk	For Information
Report Author: Neil Davies – Head of Corporate Performance and Development	

Summary

The Regulation of Investigatory Powers Act 2000 (RIPA) regulates surveillance carried out by public authorities in the conduct of their business. In particular it regulates the use of powers to intercept communications data, and provides a framework for the authorisation and oversight of directed surveillance and the use of covert human intelligence sources. It applies to the City Corporation in its capacity as a local authority

In September 2015, the Office of Surveillance Commissioners inspected the City Corporation's process and procedure for ensuring compliance with RIPA. The inspector concluded that the City Corporation is keen to set and maintain high standards and has a sound RIPA structure, with good policies and procedures. His report is attached at Appendix 1.

Three recommendations were made, relating to: amendments to the Policy and Procedure manual; central record keeping and monitoring, and refresher training. All of the recommendations have been accepted and acted upon. The City Corporation's response is attached at Appendix 2.

Recommendation

Members are asked to note this report

Main Report

Background

1. The Regulation of Investigatory Powers Act 2000 (RIPA) regulates surveillance carried out by public authorities in the conduct of their business. In particular it regulates the use of powers to intercept communications data, and provides a framework for the authorisation and oversight of directed surveillance and the use of covert human intelligence sources. It applies to the City Corporation in its capacity as a local authority.

2. The City Corporation has maintained appropriate policies, procedures, operation and administration since the legislation was introduced. A Policy and Procedure manual is maintained, to assist both applicants and Authorising Officers in the handling of RIPA matters. The Policy and Resources Committee is responsible for the approval of the manual, and also receives updates in relation to any authorisations that have been received by the RIPA Monitoring Officer.
3. The City Corporation is a very infrequent user of RIPA powers, predominantly within the Trading Standards and Internal Audit Sections.

Inspection by the Office of the Surveillance Commissioners

4. In September 2015, the Office of the Surveillance Commissioners undertook an inspection of the City Corporation to ensure compliance with RIPA provisions. The inspection was carried out by the Assistant Surveillance Commissioner, Sir David Clarke, who was accompanied by His Honour Brian Barker QC, and an Inspection Support Officer. Sir David checked whether the recommendations from the previous inspection (September 2012) had been fully implemented, reviewed the Policy and Procedure manual, and examined the documentation relating to authorisations that had taken place since the previous inspection. A copy of the inspector's report is attached at Appendix 1.
5. The key conclusions were:
 - That the recommendations from 2012 had been addressed and discharged
 - That, despite making very limited use of its powers, the City Corporation understands that there is still a need for proper systems to be in place to ensure that powers are lawfully exercised
 - That the City Corporation is keen to set and maintain high standards and has a sound RIPA structure, with good policies and procedures.
6. The report made three recommendations, all of which have been accepted:
 - Recommendation 1: Revisions to the Policy and Procedure manual. A number of amendments to the manual have been suggested, responding to points made in the inspection report, and to other issues raised by Sir David during his interviews with officers. The Policy and Resources Committee was asked to approve these changes at its meeting on 21 January.
 - Recommendation 2: Authorisations and other forms to be sent to the RIPA Coordinator to maintain oversight and ensure procedural compliance. A revised procedure note will be issued to remind officers of their responsibilities to ensure that RIPA activity, including applications, authorisations, cancellations, renewals, etc. are communicated at the earliest opportunity to the Monitoring Officer.
 - Recommendation 3: Maintain periodic refresher training. A specialist training provider has been engaged to provide refresher training to relevant officers. This training will take place on 2 February.

7. The City Corporation's response to the Office of the Surveillance Commissioners is attached at Appendix 2.

Conclusion

8. The City Corporation's process and procedure for ensuring compliance with RIPA were inspected in September 2015 by the Office of Surveillance Commissioners. The inspector concluded that the City Corporation is keen to set and maintain high standards and has a sound RIPA structure, with good policies and procedures. Three recommendations were made, relating to: amendments to the Policy and Procedure manual; central record keeping and monitoring, and refresher training. All of the recommendations have been accepted and acted upon.

Appendices

- Appendix 1 – Office of Surveillance Commissioners Inspection Report: City of London Corporation – 9th September 2015, under covering letter dated 22 October 2015
- Appendix 2 – City Corporation response

Background Papers: None

Neil Davies

RIPA Monitoring Officer
Town Clerk's Department

T: 020 7332 3327

E: neil.davies@cityoflondon.gov.uk

This page is intentionally left blank



Office of Surveillance
Commissioners



Chief
Surveillance
Commissioner

Official -Sensitive

22 October 2015

Covert Surveillance

Dear Mr. Barradell,

On 9 September so David Clarke, an Assistant Surveillance Commissioner, accompanied by His Honour Brian Barker QC and Mr Aftab Chaudri, from my office conducted an inspection of the arrangements to ensure compliance with RIPA provisions.

I enclose a copy of his report which I have read and endorse.

As he explains the Corporation makes very limited use of its statutory powers. Nevertheless, as is clearly understood by the Corporation, it is essential for a system to be in place which will ensure that if and when any increase in use is anticipated, the powers will be lawfully exercised in a way which is compliant with the statute.

Two formal recommendations were made in 2012. Both have been addressed and can now be discharged, in relation to the first recommendation, on the basis that the circulation of the updated OSC Guidance has taken place.

As a result of the recent inspection three specific recommendations are made. Following a detailed analysis of the Corporation's revised policy document, a number of suggestions for amendment are recommended. The second recommendation, relating to authorisations in the future, reflects some failures in procedure in relation to the specific authorisations examined in the inspection. The recommendation is unequivocal and clear. The third recommendation relates to continuing refresher training. The concerns arising from the authorisations to which I have just referred, amply demonstrate the need for continuing training. It is now some years since those responsible for the exercise of these powers received their own training. As this issue has now been outstanding for some years it should be addressed as soon as practicable.

I look forward to hearing that the recommendations are accepted.

John Barradell Esq
Town Clerk and Chief Executive
City of London Corporation
PO Box 270
Guildhall
London
EC2P 2EJ.

Yours sincerely,

John Judge

OFFICIAL - SENSITIVE



**Office of Surveillance
Commissioners**

**OFFICE OF SURVEILLANCE COMMISSIONERS
INSPECTION REPORT**

City of London Corporation

9th September 2015

**Assistant Surveillance Commissioner:
Sir David Clarke.**

OFFICIAL- SENSITIVE

DISCLAIMER

This report contains the observations and recommendations identified by an individual surveillance inspector, or team of surveillance inspectors, during an inspection of the specified public authority conducted on behalf of the Chief Surveillance Commissioner.

The inspection was limited by time and could only sample a small proportion of covert activity in order to make a subjective assessment of compliance. Failure to raise issues in this report should not automatically be construed as endorsement of the unreported practices.

The advice and guidance provided by the inspector(s) during the inspection could only reflect the inspectors' subjective opinion and does not constitute an endorsed judicial interpretation of the legislation. Fundamental changes to practices or procedures should not be implemented unless and until the recommendations in this report are endorsed by the Chief Surveillance Commissioner.

The report is sent only to the recipient of the Chief Surveillance Commissioner's letter (normally the Chief Officer of the authority inspected). Copies of the report, or extracts of it, may be distributed at the recipient's discretion but the version received under the covering letter should remain intact as the master version.

The Office of Surveillance Commissioners is not a public body listed under the Freedom of Information Act 2000, however, requests for the disclosure of the report, or any part of it, or any distribution of the report beyond the recipients own authority is permissible at the discretion of the Chief Officer of the relevant public authority without the permission of the Chief Surveillance Commissioner. Any references to the report, or extracts from it, must be placed in the correct context.

OFFICIAL – SENSITIVE



**Office of Surveillance
Commissioners**

Chief Surveillance Commissioner,
Office of Surveillance Commissioners,
PO Box 29105,
London,
SW1V 1ZU.

18th September 2015

CITY OF LONDON CORPORATION

INSPECTION REPORT

Inspection date	9 th September 2015
Inspector	Sir David Clarke Assistant Surveillance Commissioner
accompanied by and	HH Brian Barker QC, Assistant Surveillance Commissioner Aftab Chaudri, Inspection Support Officer (observing)

INTRODUCTION

1. The City of London Corporation (CLC) is a unitary authority providing local government services for the "square mile", which has a resident population of under 10,000 but a huge daytime population of over 300,000. There is no state secondary school and only one state primary school in the square mile, though the Corporation's institutions include three independent schools, two being within the square mile, and it sponsors three free academy schools located in neighbouring boroughs.
2. The Senior Corporate Management structure is headed by the Town Clerk and Chief Executive, and comprises a number of Corporate,, Service and Institutional Departments. The Town Clerk and Chief Executive is John Barradell, whose address for correspondence is PO Box 270, Guildhall, London EC2P 2EJ.
3. The most recent OSC inspection of CLC was conducted by Kevin Davis, Surveillance Inspector, on 21st September 2012. He made two formal recommendations.
4. The Deputy Town Clerk, Susan Attard, is CLC's Senior Responsible Officer (SRO) for the purposes of RIPA. She has assumed the role of SRO since the last inspection, following the retirement of Peter Nelson.

5. CLC continues to be a very modest user of its powers under Part II of RIPA, having granted two authorisations since the last inspection, one of directed surveillance and one of a covert human intelligence source (CHIS).¹ These are discussed later in this report.

Inspection

6. We carried out the inspection on 9th September 2015 at Guildhall. We met the following officers:
 - Susan Attard, Deputy Town Clerk and SRO;
 - Neil Davies, Head of Corporate Performance and Development, RIPA Monitoring Officer/ Coordinator;
 - Paul Nagle, Head of Audit and Risk Management, a RIPA authorising officer (AO);
 - Chris Keesing, Anti-fraud Investigations Officer;
 - Ian Dobson, Trading Standards Officer, former Acting Trading Standards Manager.
7. We first discussed, with Ms Attard and Mr Davies, the revised Codes of Practice and OSC Guidance, CLC's RIPA management, policy and procedures, the designated authorising officers (AOs), training, and the actions taken on the recommendations in the last OSC report. We then inspected the Central Record of RIPA authorisations and the authorisations themselves. We had a round-table meeting with the other three officers, together with Mr Davies, to discuss the role of AO and CLC's practices in trading standards investigations. Finally we had a brief feedback discussion with Ms Attard and Mr Davies before departing Guildhall.
8. We are grateful to all concerned, particularly Mr Davies who made the arrangements and supplied materials in advance, for their welcome and for their helpful cooperation and engagement with the inspection.

Response to recommendations

9. In 2012 Mr Davis made two formal recommendations.

That the OSC Procedures & Guidance document is made available to all relevant personnel, in particular the notes that refer to the use of social networking sites for investigative purposes;

The Procedures & Guidance document was placed on CLC's intranet and covered in RIPA training. The recommendation is therefore discharged, but it was a little disappointing to learn that the updated OSC Guidance (December 2014) had not yet been circulated. This is now being done.

That paragraph 3.30 of the revised Codes of Practice for Covert Surveillance and Property Interference is complied with as a matter of urgency;

¹ In addition, one authorisation for the acquisition of communications data was made under Part I Chapter II of RIPA, which is outside the remit of my inspection.

✓ Regular reports to elected members were introduced in response to this recommendation. Because of very low RIPA usage these reports are not made quarterly, but at least annually. Discharged

RIPA Structure

10. Ms Attard and Mr Davies have both assumed their roles in relation to RIPA since the last inspection. (Mr Davies is formally designated as RIPA Monitoring Officer, abbreviated in the *Policy* to RMO, but the term RIPA Coordinator also appears there; I consider it a better one). Together these two officers attended a training course by Bond Solon to equip them for these roles, which is much to CLC's credit. The previous RIPA Monitoring Officer, Lorraine Brook, remains within the Town Clerk's Department and her advice is available if necessary.
11. At the time of the last inspection CLC had a revised *RIPA Policy and Procedure* document in draft, replacing a very much longer version previously in use. The revised document ("the *Policy*"), which was later formally approved, was prepared with the assistance of ITS Training, and is generally clear and comprehensive, but some changes are revisions are required for accuracy and added clarity. The revisions included the legislative changes which came into effect in November 2012.
12. The following points should be reflected in the *Policy*:
 - At page 10 it is stated that test purchase operations for sale of alcohol to under 18s are not normally directed surveillance. This statement conflicts with OSC Procedures & Guidance, paragraphs 243-4, and with the current Better Regulation Delivery Office Guidance on Under-age Sales (in which the OSC guidance is quoted with some emphasis). The fact that such sales of alcohol and tobacco are exempted from the enhanced threshold requirement for directed surveillance suggests that the Government also now takes this view.
 - At page 13, in relation to "*Who is a CHIS?*" it is stated that RIPA does not apply in circumstances where members of the public volunteer information to the authority. This begs the question of how the informant acquired the information which he volunteers; if he acquired it in the course of, or as a result of the existence of², a personal or other relationship, he is likely to be within the definition of a CHIS. If the authority then makes use of the information, and the informant is thereby put at risk, it may be in breach of its duty of care owed to him. It is important that this principle is understood by those who carry out investigation and enforcement work. It would be better to state that "RIPA does not normally apply . . .", with some suitable words of explanation.

² RIPA section 26(8)(c)

- At page 17, the enhanced seriousness threshold applies only to directed surveillance, not to CHIS. Accordingly, in relation to directed surveillance, “or of preventing disorder” is no longer a free-standing criterion for authorisation.
- On page 18 the *Policy* lists the main advantages of following RIPA procedures, but omits what is perhaps the most important one, namely that section 27 renders the authorised activity lawful for all purposes. The converse, of course, does not apply. I was happy to see passages on non-RIPA surveillance on pages 4 and 41 of the *Policy*, but it might be better to emphasise that this would be undertaken at CLC’s own risk and without the protection afforded by section 27.
- On page 19, the last bullet point on proportionality is misplaced; it would be wise to reproduce the essential elements of proportionality set out in paragraph 74 of OSC Procedures & Guidance.
- On pages 20-21 and elsewhere, the *Policy* contains references to urgent oral authorisations valid for 72 hours. These references should be removed, since local authorities no longer have the power to make such authorisations.³
- On page 21, authorisations cannot be renewed after expiry; the renewal must be applied for and authorised before the expiration date, and the renewal also requires judicial approval.

See recommendation

13. The *Policy* sensibly contains a passage on internet and social networking site investigations. This has now been revised to reflect the expanded guidance contained in OSC Procedures & Guidance 2014, paragraph 288.
14. We discussed the procedure for applying for judicial approval. I drew attention to the contrast between the Home Office Guidance to Local Authorities, paragraph 43, and OSC Procedures & Guidance paragraphs 291-2. CLC’s approach, which I commend, is that the AO will attend if practicable. Of course, if the application and authorisation are fully articulated, no questions should arise; but this may be a counsel of perfection not reflecting reality.
15. Three officers are designated as AOs, being listed by names and posts in an *Appendix* to the *Policy*. All are qualified in accordance with SI 2010/521. No reference is made, however, to the fact that the Town Clerk and Chief Executive, as Head of Paid Service, or his Deputy in his absence, is the sole authorised AO for any authorisation falling within Appendix A to the Codes of Practice⁴.

³ RIPA section 43(1A), introduced by Schedule 9 of the Protection of Freedoms Act 2012.

⁴ Authorisations of a juvenile or vulnerable CHIS, and authorisations where confidential information, including legally privileged information, is likely to be obtained.

16. The Central Record is now maintained by Mr Davies. With it should be the authorisations and associated forms themselves, i.e. reviews, renewals (if any) and cancellations. No practice is in place for these to be sent to the Coordinator so as to be centrally retrievable, as recommended in OSC Procedures & Guidance, paragraph 130. The two authorisations had to be produced to me from departmental files, where the papers were incomplete.⁵ Furthermore, no reviews or cancellations were completed.

See recommendation

Training

17. It was reported in 2012 that a training course by an external trainer was scheduled to be held on 13th December 2012. This duly took place and was attended by the AOs and a cross-section of potential applicants, 14 staff in all. In addition, as reported in paragraph 10 above, Ms Attard and Mr Davies attended a training course on assuming their present RIPA roles.
18. In February 2013, Mr Dobson and other trading standards staff attended a training course focusing on the legislative changes to RIPA which had taken effect in November 2012.
19. However, I consider that periodic refresher training should take place. The less use is made of RIPA powers, the greater the need to maintain awareness of its essential provisions, so as to minimise the risk of unauthorised covert activity taking place. My findings on examination of the two (linked) authorisations suggest that there is a continuing training need.
20. The Town Clerk was previously Chief Executive of a major unitary local authority where he no doubt had relevant RIPA experience.

See recommendation

Examination of authorisations

21. The two authorisations, of CHIS and directed surveillance respectively, were made in a single investigation known as Operation Virago. This was an investigation into the fraudulent selling of worthless investments such as voluntary carbon credits. The authorisations were made on 13th March 2013 and were approved by the magistrate on the following day.
22. The lead investigator, an officer seconded to CLC from the Regional Scambusters Unit, was authorised as a CHIS to communicate by telephone with brokers marketing such schemes, posing as a potential investor to gain evidence. It was believed that such brokers routinely made misleading and fraudulent statements, using high-pressure tactics and intimidation. However, no named targets appeared in the authorisation, though it was apparent from the notes of the magistrate that a number of such brokerages had been identified. Such information should have been included in the application and

⁵ Only one of the two signed judicial approval forms was produced to me; the other was located after my departure.

authorisation, and these brokers names as the targets, to deflect any criticism that this was a fishing expedition.

23. The concurrent directed surveillance authorisation was made solely to cover the recording of those telephone calls. I consider that this separate authorisation was not necessary, the recording of the information acquired by the CHIS being covered by section 48(3) of RIPA.
24. The correct expiry date was specified in the CHIS authorisation, being 2359 hrs on 12th March 2014. However, the directed surveillance authorisation, having been authorised on 13th March at 9.17 a.m., was set to expire on 13th June at 9.17 a.m., an error known within the OSC as the "three months and a day howler".⁶
25. More importantly, though the authorised activity never took place, no cancellations were ever effected and the authorisations were simply allowed to lapse. Closer supervision by the RIPA Coordinator, coupled with the use of the central record as a management tool, should ensure a tighter process in future.

CCTV

26. CLC does not operate a public space CCTV system in the square mile. The system is owned and operated by the City of London Police, as has been confirmed to me following the inspection visit.

Conclusion

27. CLC is a particularly high-profile local authority and is keen to set and maintain high standards in this as in all other areas of activity. It has a sound RIPA structure, with good policies and procedures, but very low usage. This is a pattern now commonly seen in local authority inspections.
28. There are some changes to be made and lessons to be learned from this inspection. I have no doubt that with the commitment and enthusiasm of Ms Attard and Mr Davies, my recommendations, if you endorse them, will be readily implemented.

29. I make the following

Recommendations

- I. That CLC's RIPA Policy and Procedure document be amended in accordance with paragraph 12 above;*
- II. That any future authorisations and associated forms be sent to the RIPA Coordinator to be kept with the central record, to enable him*

⁶ See OSC Procedures & Guidance, paragraph 87. The law counts in days, not in hours and minutes. An authorisation which purports to include both 13 March and 13 June therefore exceeds the statutory maximum duration.

to maintain day-to-day oversight and ensure procedural compliance (including reviews and cancellations);

III. That periodic RIPA refresher training be maintained.

David Clarke
Assistant Surveillance Commissioner

Town Clerk & Chief Executive
John Barradell OBE FRCS



The Rt Hon. Lord Judge
Office of Surveillance Commissioners

Telephone 020 7332 1400
Email john.barradell
@cityoflondon.gov.uk

Date 11 December 2015

Lord Judge

Thank you for your letter of 22 October, reporting the results of Sir David Clarke's inspection at the City of London Corporation in September.

I would like to thank Sir David for his helpful and constructive comments, not only in the report, but also during his visit. These were most appreciated by the officers that he met and will be helpful in further strengthening our RIPA governance arrangements.

I note your comment that the City Corporation has a sound structure with good policies and procedures, but am keen to ensure that our very low usage of RIPA powers does not result in any complacency. I therefore welcome, and am pleased to accept the recommendations that have been made.

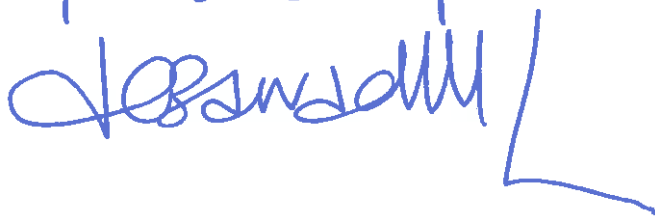
My detailed comments are as follows:

In your covering letter, and at paragraph 9 of the report, reference is made to the non-circulation of the updated (December 2014) OSC Guidance. I can confirm that this was rectified immediately following Sir David's visit.

Recommendation 1: Policy and Procedure document. The document has been amended in respect of the points in paragraph 12 of the report, and also for the additional comments that Sir David detailed during his visit. This will be presented to our Policy and Resources Committee for approval in January.

Recommendation 2: Authorisations and other forms to be sent to the RIPA Coordinator to maintain oversight and ensure procedural compliance. A revised procedure note is being developed to remind officers of their responsibilities to ensure that RIPA activity, including applications, authorisations, cancellations, renewals, etc. are to be communicated at the earliest opportunity to the Monitoring Officer. This will be issued by the end of December.

Recommendation 3: Refresher training. An external provider (ITS) has been booked to run a course for relevant City Corporation staff on 2nd February 2016.

Yours sincerely


By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank