



Audit and Risk Management Committee

Date: TUESDAY, 14 JUNE 2016
Time: 1.45 pm
Venue: COMMITTEE ROOMS, 2ND FLOOR, WEST WING, GUILDHALL

Members:

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

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Lunch will be served in the Guildhall Club at 1.00pm
NB: Part of this meeting could be the subject of audio or video recording

John Barradell
Town Clerk and Chief Executive

Part 1 - Public Agenda

1. **APOLOGIES**
2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**
3. **ORDER OF THE COURT**
To note the Order of the Court of Common Council dated 21 April 2016.
For Information
(Pages 1 - 2)
4. **TO ELECT A CHAIRMAN IN ACCORDANCE WITH STANDING ORDER 29**
For Decision
5. **TO ELECT A DEPUTY CHAIRMAN IN ACCORDANCE WITH STANDING ORDER 30**
For Decision
6. **MINUTES OF THE PREVIOUS MEETING**
To agree the public minutes of the meeting held on 8 March 2016.
For Decision
(Pages 3 - 8)
7. **TO CO-OPT TWO MEMBERS TO THE POLICE PERFORMANCE AND RESOURCES MANAGEMENT SUB COMMITTEE**
For Decision
8. **OUTSTANDING ACTIONS OF THE COMMITTEE**
Report of the Town Clerk.
For Information
(Pages 9 - 10)
9. **COMMITTEE WORK PROGRAMME**
Report of the Town Clerk.
For Information
(Pages 11 - 12)
10. **RISK UPDATE**
Report of the Chamberlain.
For Information
(Pages 13 - 48)
11. **DEEP DIVE RISK REVIEW - AIR QUALITY**
Report of the Director of Markets and Consumer Protection.
For Information
(Pages 49 - 60)
12. **HEAD OF INTERNAL AUDIT OPINION AND ANNUAL REPORT**
Report of the Head of Internal Audit and Risk Management.
For Information
(Pages 61 - 66)

13. **ANNUAL GOVERNANCE STATEMENT 2015/16**
Joint report of the Town Clerk and the Chamberlain.

For Decision
(Pages 67 - 86)

14. **BILLINGSGATE MARKET INVESTIGATION OUTCOME**
Report of the Chamberlain.

For Information
(Pages 87 - 92)

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

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

Members only - Confidential

17. **MEMBERS ONLY SESSION WITH THE CITY OF LONDON CORPORATION'S
EXTERNAL AUDITORS**

For Discussion

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MOUNTEVANS, Mayor	RESOLVED: That the Court of Common Council holden in the Guildhall of the City of London on Thursday 21st April 2016, doth hereby appoint the following Committee until the first meeting of the Court in April, 2017.
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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 2016/17**

- 6 (4) Nicholas John Anstee, Alderman
- 6 (3) Graeme Martyn Smith, *for three years*
- 6 (3) The Revd. Dr. Martin Dudley
- 6 (3) Ian David Luder J.P., Alderman
- 4 (2) Charles Edward Beck Bowman, Alderman and Sheriff
- 4 (2) Jamie Ingham Clark, Deputy
- 6 (1) Nigel Kenneth Challis
- 1 (1) Henry Nicholas Almroth Colthurst
- 1 (1) Peter Estlin, Alderman

together with three external representatives :-

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

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

Hilary Daniels (*appointed for a three year term expiring in March 2019*)

and together with the Members referred to in paragraph 1.

4. **Terms of Reference**

Audit

- (a) To consider and approve annually the rolling three-year plan for Internal Audit.
- (b) To consider and approve the annual External Audit Plan.
- (c) 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.
- (d) 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).
- (e) 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.
- (f) In addition to (e), to meet with the external auditors of the City's various funds at least once in each calendar year.
- (g) To report back, as necessary and at least annually, to the Court of Common Council.

- (h) 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.

AUDIT AND RISK MANAGEMENT COMMITTEE

Tuesday, 8 March 2016

**Minutes of the meeting of the Audit and Risk Management Committee held at
Guildhall on Tuesday, 8th March 2016 at 1.45 pm**

Present

Members:

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

In Attendance:

Officers:

Peter Kane	- Chamberlain
Graham Bell	- Chamberlain's
Neil Davies	- Town Clerk's Department
Julie Mayer	- Town Clerk's Department
Paul Dudley	- Chamberlain's Department
Caroline Al-Beyerty	- Chamberlain's Department
Michael Cogher	- Comptroller and City Solicitor
Chris Harris	- Chamberlain's Department
Leigh Lloyd-Thomas	- External Auditor, BDO

1. APOLOGIES

Apologies were received from Alderman Tim Hailes.

**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 8 March 2016 were approved.

4. **OUTSTANDING ACTIONS LIST**

Members received the Committee's outstanding actions list and noted the following updates:

Peer Review – expected completion at the end of April 2016.

Cyber Risks – work was on-going and the subject of a 'Deep Dive' review at item 7 on today's agenda.

Community and Children's Services – Risk Challenge Session to include the work of the Education Board. Members noted that, as the next review of Community and Children's Services was due in May 2017, it would allow sufficient time for the new Multi Academy Trust (MAT) to embed.

5. **COMMITTEE WORK PROGRAMME**

The Committee received its work programme and made the following suggestions:

- The Risk Challenge Session for the Town Clerk and Comptroller and City Solicitor in November 2016 would need appropriate timings.
- Could the scheduling of Risk Challenge Sessions generally be reviewed in light of the outcome of the first round of sessions and align with the deep dive reviews? This might require some departments being called back for a second review earlier than others.
- The Member only session with the External Auditor be held after the June Meeting, when this year's Audit would be close to completion.

6. **CORPORATE RISK REGISTER REVIEW**

The Committee received a report of the Chamberlain in respect of the Corporate Risk Register and during the discussion the following points were raised/noted:

- Should 'Adverse Political Developments' be reviewed in light of the Court's decision in relation to the EU.
- For on-going risks, eg 'Resilience', targets were generally set a year ahead and then reviewed.
- Some issues had arisen from the Risk Challenge sessions; i.e. inconsistencies with naming the risk owners and missing targets in a small minority. However, Members agreed that the sessions had seen improvements and were reinforcing risk management as more than just a process.

7. **DEEP DIVE RISK REVIEW: INFORMATION SECURITY (CR16)**

The Chief Information Officer was heard in respect of the management of the Information Security Corporate Risk. During the discussion, the following points were raised/noted:

- Local authorities could be perceived as easy targets, given recent budget cuts and many were working with Central Government via the Local Authority Cyber Security Network. Members noted that during the November protests in 2015, some major City of London Corporation Systems were taken down as a precaution.
- The latest round of security accreditations in April would include multiple vendors, penetration testing and closer working with the City of London Police. The shared work programme with the Police would include a re-assessment of Corporate Risk CR16 and the IS Sub Committee would receive a report in June 2016.
- Members noted that viruses continually attacked the City of London Corporation and virtually all were detected immediately. However, such attacks were likely to increase and become more sophisticated.
- Whilst the CoLC i-pads were very secure, further resilience could be introduced by using Egress for sensitive and confidential emails. In respect of a question about patching and security gaps, the Chief Information Officer advised that they would be built into KPIs and performance reports. Examples from the City of London Police were available to Members on request.
- Whilst all Local Authorities retained responsibility for their insurance arrangements, Members noted that the Government had backed a scheme for insurance against terrorism and this might extend to cyber crime.
- All CoLC staff were required to undertake mandatory training in Data Protection and the Town Clerk also led intensive sessions for managers showing case studies. Classroom based sessions were offered to staff, taking into account the type and volume of personal information handled and the level of risk of breaches. Members noted that, in light of the new EU General Data Protection Regulations, due to be enacted later this year, refinements to the training programme were being considered.

In concluding, the Chairman thanked the Chief Information Officer for his best endeavours and heavy workload in a challenging environment.

8. **ANTI FRAUD INVESTIGATIONS**

- The Committee received a report of the Chamberlain in respect of anti-fraud and investigation activity.

During the discussion, the following points were raised/noted:

Members received an update on the Billingsgate fraud prosecution and verdict, which had been scrutinised closely by the Audit and Risk Management Committee. Members were reminded that the Financial Services Director, also in attendance at this meeting, had led the disciplinary process. Members were reminded that, as a result of lessons learnt from the process, there was now far less cash handling in the City of London Corporation (CoLC). Members were reminded that the CoLC internal control mechanism had highlighted this fraud.

The Head of Internal Audit and Risk Management advised that anti fraud work was both pro-active and re-active; an increased requirement in one area would temporarily direct resources away from the other. However, the Chamberlain would be consulted if either requirement was consistently high.

RESOLVED, that – the report be noted.

9. ANNUAL GOVERNANCE STATEMENT METHODOLOGY

The Committee considered a report of the Town Clerk in respect of the annual review of its system of internal controls. Members suggested that a paragraph be added to include the work of the Standards Committee.

RESOLVED , that – the proposals set out in this report for the production and presentation of the Annual Governance Statement (2015/16) be approved with the additional reference to the Standards Committee as set out above.

10. AUDIT PLANS FOR THE 2015/16 CITY FUND AND PENSION FUNDS FINANCIAL STATEMENT

Members received a report of the external auditors in respect of the plans for the Audit of the City Fund and Pension Fund Financial Statements for 2015/16. In response to a question, the External Auditor advised that he expected the most challenging areas to be NNDR Appeals and Charitable Relief for hospitals. Members noted that the auditors had started work on site the previous day and a further update would be provided during the Member-only session in June.

RESOLVED – That the report be noted.

11. CERTIFICATION OF CLAIMS AND RETURNS 2014/15

- The Committee received a report of the External Auditor which Certified the Claims and Returns for 2014/15, as required as part of the sign of the 2014/15 Financial Statements

RESOLVED – That the report be noted.

12. QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE

A Member had emailed the Town Clerk in respect of the profile of risk management within the organisation. The Town Clerk had offered to include this in the corporate report writing guidance and highlight it further during training sessions. Members were content with this suggestion and asked to see the update to the guidance before it was circulated more widely.

A Member raised a query about the format for reports to the Projects Sub Committee as he felt that, by being different to those of other Committees, they could cause confusion. The Member also felt that the sub committee appeared to undo the work of other committees. The Town Clerk offered to pass this comment on to the Assistant Town Clerk with responsibility for the Projects Sub Committee and the Corporate Programme Manager.

13. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

There were no items.

14. EXCLUSION OF THE PUBLIC

RESOLVED – that under Section 100 (A) of the Local Government Act 1972, public be excluded from the following items on the grounds that they may involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Local Government Act.

Item No

Paragraph no

15 – 17

1 and 2

15. NON PUBLIC MINUTES

The non-public minutes of the last meeting were approved.

16. NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE

There were no questions.

17. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED

There were no items.

The meeting ended at 3.20 pm

Chairman

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

	Item	Action	Officer	Progress updates/target
1	Head of Internal Audit – Annual Opinion (added 2.6.15)	1. 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. 2. Peer Review.	C Harris P Dudley	1. On-going. Annual Opinion will be reported to June Committee and will include the suggested items. 2. Completion expected at the end of April 2016.
3	Risk Management (added 3.11.15)	1. A further risk challenge session be added covering Education more generally, with an invitation extended to the Chairman of the Education Board. 2. 'Adverse Political Developments' to be reviewed in light of the Court's decision in relation to the EU.	P Dudley C Harris	1. As the next review of Community and Children's Services was due in May 2017, it would allow sufficient time for the new Multi Academy Trust (MAT) to embed.
4	City of London Boys' School (Added 26.1.2016)	Further to the discussion at the Risk Challenge Session on 26 th January, the school to be the subject of a future 'deep dive' risk review.	Paul Dudley/ Julie Mayer	The Board of Governors of the Boys School has met since the Risk Challenge session. The Chairman of the Board of Governors attended the risk challenge session and continues to progress the actions.
5	Chief Officer Risk Challenge Sessions (added 8.3.2016)	Scheduling of Risk Challenge Sessions be reviewed in light of the outcome of the first round of sessions and align with the deep dive reviews – with some departments being called back for a second review earlier than others.	Paul Dudley	

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Audit and Risk Management Work Programme 2016

Date	Items
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 Sessions: Built Environment and Culture, Heritage and Libraries</p>
13 September 2016	<p>Anti-Fraud & Investigations Update</p> <p>Internal Audit Update</p> <p>Results of Committee Effectiveness Survey</p> <p>Risk Update</p> <p>HMIC Inspection Report</p> <p><i>Deep Dive Risk Review – Resilience/IT Service Provision</i></p> <p>Risk Challenge Sessions: City of London Boys' School and Open Spaces</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><i>Deep Dive Risk Review – Hampstead Heath Ponds</i></p> <p>Risk Challenge Sessions: Community and Children's and Town Clerk</p>

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Committee(s)	Dated:
Audit and Risk Management Committee	14 June 2016
Subject: Risk Management Update	Public
Report of: Dr Peter Kane, Chamberlain	For Information
Report author: Paul Dudley, Chamberlain's Department	

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 25 April 2016 and Summit Group on 16 May 2016.

There are currently 11 corporate risks on the corporate risk register (no change to the number of corporate risks as reported on 8 March 2016). All corporate risks have been reviewed and updated. One corporate risk (CR16 Information Security) has shown an increase in risk score. All other risk scores remain the same.

The top red departmental risk register has been reviewed and updated. The number of risks recorded on this register has decreased from 12 to nine since the 8 March 2016 report.

A total of 272 risks (as at 25 April 2016) have been identified by departments providing a wide range of risks that may affect service delivery. Departments have used the Corporation's Risk Management Strategy (May 2014) to ensure a consistent approach to the way risks are described and scored.

Recommendation

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 and top red departmental risk registers were last reviewed by CORMG on 25 April 2016 and the Summit Group on 16 May 2016.
- 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 A total of 272 wide ranging risks have been identified by departments comprising of 23 red, 144 amber and 105 green risks. This compares with total of 236 risks in February 2016 which included 29 Red, 137 amber and 70 green risks. The increase in the total number of risks is partly due to a few departments transferring risks that were previously recorded on excel spreadsheets on to Covalent – the risk management information system.

- 1.4 Of the 272 total number of risks, there are 11 corporate and nine top red departmental risks. There are another 86 amber and 59 green risks recorded at departmental level. The remaining 107 risks are at service/team levels.
- 1.5 Departments have used the Corporation's Risk Management Strategy (May 2014) to ensure that there is a consistent approach to the way risks are described and scored. 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.
- 1.6 The corporate risk register is attached as appendix 2 (providing details of each risk, a brief update, where appropriate a target risk date and 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 (four red and seven amber risks)
Table 1 below – List of corporate risks as at 25 April 2016 (Risk score order)

Risk no	Risk title	Risk rating	Current Risk score	Risk score change
CR11	Hampstead Heath Ponds	Red	16	↔
CR 19	IT Service Provision	Red	16	↔
CR20	Road Safety	Red	16	↔
CR21	Air Quality	Red	16	↔
CR09	Health and Safety Risk	Amber	12	↔
CR01	Resilience Risk	Amber	12	↔
CR16	Information Security	Amber	12	↑
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	↔

- 2.2 One corporate risk has shown an increase in risk score since the last report to the Committee on 8 March 2016:

CR16 (Information Security). This risk was re-rated from an amber 6 to and amber 12 in April 2016. It was increased following a recent Malware incident, although its impact was restricted to a small number of files and users. A paper outlining wider approach to information governance and security was approved by Summit Group in April 2016. Recommended engagement with Chief Officers commenced in April 2016 to develop a programme of activity spanning policy agreement, information asset register and owners, and further work to be done with departments.

All other corporate risk scores remain unchanged.

3.0 Top departmental red risks

- 3.1 There are currently nine top departmental red risks - a decrease of three risks since the 8 March 2016 report. Four risks have been removed from the register as they have been re-rated as amber departmental risks whilst one new risk has been added:

- DCCS PE 004 Pupil funding - introduction of new formulae may reduce levels of funding from 2017/18.

This risk has been highlighted as a “new risk” in the top red departmental risk register, attached as appendix 3.

- 3.2 The highest top red risk is DCCS PE 002 Failure to deliver expansion of Sir John Cass Foundation Primary School to two form entry, which has a risk score of 24.

DCCS PE 002 – Failure to deliver the expansion of Sir John Cass’s Foundation Primary School. Although agreement has now been reached to operate a bulge class in September 2016, the City Corporation is still seeking a permanent expansion to a two form entry. The risk remains at RED as negotiations are continuing and the target date for the resolution to this risk has been changed to September 2017. City Corporation representatives will be attending the Sir John Cass's Foundation Board meeting on 8 June to discuss this issue further. The risk rating will be reviewed in the light of the outcome of the meeting.

All other red risks are scored at 16.

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

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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

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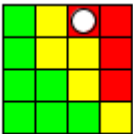
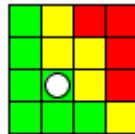

Code & Title: CR Corporate Risk Register 11

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
CR11 Hampstead Heath Ponds - overtopping leading to dam failure 05-Feb-2015 Sue Ireland; Paul Monaghan	<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>	<div> <div>Likelihood</div> <div>Impact</div> </div>	16	<p>The engineering works to both chains of ponds is progressing well with approx 50% of engineering works completed. The Vale of Health pond and the Viaduct pond are complete from an engineering perspective and stock pond is almost complete. The design of the project is such that all the works are interdependent upon each other and hence the current risk score will not reduce until all the works are complete.</p> <p>22 Apr 2016</p>	<div> <div>Likelihood</div> <div>Impact</div> </div>	8	31-Oct-2016	<div>↔</div> <p>No change</p>

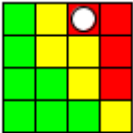
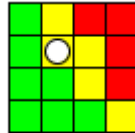

Action no, Title,	Description	Latest Note	Managed By	Latest Note Date	Due Date
CR11 a Project Director to review budget monthly with Project Board - specific consideration of use of risk contingency	Regular monitoring of budget and risk provisions	Works well under way some elements delayed but still to be completed to contract programme – forecast still within current budget	Paul Monaghan	18-Apr-2016	31-Oct-2016
CR11 b Agreement of methods of working with utilities	Agreement of methods of working with utilities	Identifying utilities in order to negotiate new wayleaves, needs to be in conjunction with routes across the Heath.	Paul Monaghan	15-Apr-2016	01-Mar-2017
CR11 c Site supervision by H&S and OS to ensure appropriate H&S procedures	Regular review of H&S and working practices - in particular movement of vehicles	Regular meetings continue to take place	Paul Monaghan	18-Apr-2016	31-Oct-2016
CR11 d Liaison Officer to engage proactively through site notices, media, electronic communication s, PPSG and CWG	Liaison Officer role defined by planning conditions in respect of CWG, but will undertake broader community engagement role as previously	Liaison officer continuing all the activities and the CWG continues to meet and receiving some positive feedback.	Paul Monaghan	18-Apr-2016	31-Oct-2016
CR11 f Daily ecological monitoring by BAM and Heath staff to	As per planning consent and conditions	Daily water quality and dust monitoring undertaken. Data published and issued monthly to CWG.	Paul Monaghan	07-Jan-2016	31-Oct-2016

check for nesting birds					
CR11 g Weekly site meetings to secure clear communication between OS, DBE and BAM	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	07-Jan-2016	31-Oct-2016
CR11 h Resolution of issues with adjoining land owners	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.	Working towards agreement for revised Planning application, completed land exchange and works can proceed without further consents	Paul Monaghan	15-Apr-2016	30-Jun-2016
CR11 i Approval of designs for Highgate 1	The design approved for Highgate No. 1 impacts on another landowner. Discussions as to an acceptable alternative have been progressing. Any change will require planning permission.	Awaiting approval of revised Planning Application.	Paul Monaghan	15-Apr-2016	30-Jun-2016

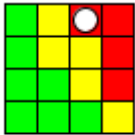
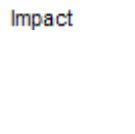
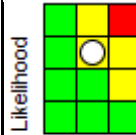


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Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
CR19 IT Service Provision 14-Jul-2015 Simon Woods	<p>Cause: The whole Police IT Estate and parts of the Corporation are in need of further investment.</p> <p>Event: For the Corporation, poor performance of IT Service and for the Police critical failure of the Police IT Service.</p> <p>Effect: Loss of communications or operational effectiveness (may also lead to low staff morale). Possible failure of critical Corporation and Policing activities. Reputational damage.</p>	 <p>Likelihood</p> <p>Impact</p>	16	<p>This risk remains red but this will be reviewed following completion of the Police server migration to the Infrastructure as a Service (IaaS). 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. Deployment of devices under the Joint End User Device Renewal project is now underway.</p> <p>23 May 2016</p>	 <p>Likelihood</p> <p>Impact</p>	4	31-Dec-2016	 No change

Action no, Title,	Description	Latest Note	Managed By	Latest Note Date	Due Date
CR19b JOINT Network refresh programme.	Joint network refresh programme to resolve issues around network resilience and ensure we have diverse routes for network traffic, avoiding single points of failure.	Gateway 4/5 report approved.	Simon Woods	18-Apr-2016	31-Dec-2016
CR19c JOINT End User Device Renewal	Investment in any retained IT infrastructure to ensure that this meets the same standards of resilience and continuity as delivered by the IaaS infrastructure.	Deployment of devices is now underway, 50 issued to date.	Simon Woods	23-May-2016	31-Dec-2016
CR19d CoLP Investment in any retained IT infrastructure	Investment in any retained IT infrastructure to ensure that this meets the same standards of resilience and continuity as delivered by the IaaS infrastructure	Quotes received and options being explored.	Simon Woods	18-Apr-2016	31-Dec-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>	16	<p>Road Danger Reduction Joint Action Plan for 2016/17 has been agreed with the City of London Police and approved by Committee. Additional modelling in connection with the Interim Bank Junction redesign will result in 4 months slippage. The Target date for risk reduction has been revised accordingly.</p> <p>09 May 2016</p>	 <p>Likelihood</p> <p>Impact</p>	6	30-Apr-2017	 No change

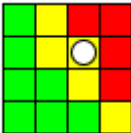
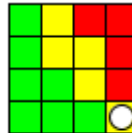

Action no, Title,	Description	Latest Note	Managed By	Latest Note Date	Due Date
CR20a Joint Safer Transport Team	Implement a joint City of London Corporation & City of London Police Road Safety/Safer Transport Team	The business case for colocation is being reassessed. It is expected that there will be a decision about relocation by the end of July and the due date has been revised accordingly.	Steve Presland	09-May-2016	31-Jul-2016
CR20b Permanent Bank Junction redesign	Permanent Bank Junction redesign	Still on track	Steve Presland	09-May-2016	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	Additional modelling to enable us to reach agreement with TfL will result in 4 months slippage. It is anticipated that a report to proceed to implementation will be presented by December this year with implementation by the end of April 2017. The due date has been revised accordingly.	Steve Presland	09-May-2016	30-Apr-2017
CR20d Road Safety Communications Strategy	Work with the Corporation's Communications Office to deliver a Road Safety Communications Strategy	Currently awaiting resource recruitment and allocation from the Corporate Communications Team	Steve Presland	09-May-2016	30-Nov-2016
CR20e City Contracts	Explore embedding vehicle and driver safety in all City of London Corporation contracts	Following comments from CLPS we will be reporting to Committee in the summer regarding potential impact on contract costs.	Steve Presland	09-May-2016	30-Sep-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	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. 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. Effect: The consequences both acute and chronic may include: An increase in hospital referrals placed upon both	Likelihood  Impact 	16	This risk relating to air quality is regularly reviewed in line with all statutory obligations imposed by the Environment Act 1995. 18 Apr 2016	Likelihood  Impact 	6	31-Dec-2020	 No change

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. Persistent poor air quality may attract adverse media coverage making the City seem a less attractive place to live and work.						
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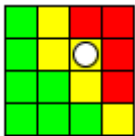
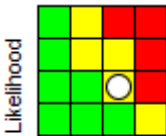
Action no, Title,	Description	Latest Note	Managed By	Latest Note Date	Due Date
CR21 001a Implement Policies	Implement the policies contained in the City of London Air Quality Strategy 2015-2020. The strategy contains 10 policy areas with 60 specific actions. An annual report will be produced demonstrating progress with each action.	Actions within the 5 year strategy on track. Annual report to be submitted to the GLA detailing exact progress by August 2016	Jon Avern	11-Apr-2016	31-Aug-2016
CR21 001b Review Air Quality	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 timetable for submitting the report under the new arrangements for LLAQM has changed. The 2016 report will therefore be submitted by August 2016	Jon Avern	11-Apr-2016	31-Aug-2016
CR21 001c Become an Exemplar Borough	Ensure the City Corporation becomes a Mayor of London Exemplar Borough for air quality.	the City is taking all relevant action required by the GLA to become an exemplar borough but the scheme hasn't been officially launched yet	Jon Avern	11-Apr-2016	29-Dec-2017
CR21 001d Develop communication strategy.	Develop and implement a robust communications strategy to ensure people have sufficient information to reduce their exposure on days of 'high' air pollution.	Preliminary work completed on relevant messages to use. bid submitted for funding to support comms. Ongoing work with City businesses including business health workshop. Working on version 2 of CityAir App - have over 14000 active users	Jon Avern	11-Apr-2016	30-Jun-2016

CR21 001e Develop plan	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.	baseline work completed with Policy Exchange on range of options available. Submitted bid for funding for Low Emission neighbourhood. Obtained £100,000 funding from the Mayors Air Quality Fund to look into this further	Jon Avern	11-Apr-2016	31-Dec-2018
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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 <div>Page 25</div> 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. Reputational damage to the City as a place to do business.	Likelihood  Impact	12	This was risk re rated re-rated in February 2016 from amber 8 to amber 12. This change was made following a review of the robustness Corporation's own business continuity plans (BCP) and the IT network assumptions on which some actions in the BCPs are based. The risk has been reviewed and the risk score of 12 (amber) is confirmed. 18 Apr 2016	Likelihood  Impact	8	31-Mar-2017	 No change

Action no, Title,	Description	Latest Note	Managed By	Latest Note Date	Due Date
CR01A Emergency Exercise	Full exercise (Allovis) to test the emergency and business continuity plans across the organisation. The exercise will involve the emergency services	This action is now complete	Gary Locker	29-Jan-2016	11-Jun-2015
CR01B Corporate review of Business Continuity	Prepare and complete a report for the Summit Group, based on the findings of a review of departmental business continuity planning	this action is now complete	Gary Locker	29-Jan-2016	30-Nov-2015

planning					
CR01C Exercise Unified Response	Large scale multi-agency exercise which will test the CoL's Borough Emergency Co-ordination Centre (BECC)	Currently, the resilience team are participating on behalf of the organisation in a major, multi-agency exercise 'Unified Response'. The exercise has now been completed. The learning from the exercise will be fed back and applied to the City of London Corporation's business continuity planning processes.	Gary Locker	18-Apr-2016	01-Jun-2016
CR01D Elimination of single points of failure, resulting in loss of services	Working with the IS division, remove potential single points of failure from business continuity processes.	Currently waiting for feedback from the IS division regarding testing on changes to the VPN infrastructure that will ensure that the network will be available virtually in the event of a systems outage in Guildhall	Gary Locker	03-May-2016	01-Dec-2016

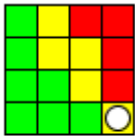
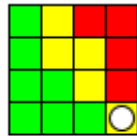
Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
CR009 Health and Safety Risk 22-Sep-2014 Chrissie Morgan	<p>Cause - Safety is treated as 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 HSE, Employees/visitors/contractors may be harmed/injured, Possible civil insurance claim, Costs to the Corporation, Adverse publicity /damage to reputation, Rectification costs</p>	 <p>Likelihood</p> <p>Impact</p>	12	<p>This risk was reviewed by the SMT on 28/03/16, no change to the assessment at this time. The external accreditation exercise by the British Safety Council Resulted in the City of London Corporation being awarded a 4 star status.</p> <p>18 Apr 2016</p>	 <p>Likelihood</p> <p>Impact</p>	8	31-Mar-2017	<p>↔</p> <p>No change</p>

Action no, Title,	Description	Latest Note	Managed By	Latest Note Date	Due Date
CR09A External Verification	External verification of the CoL's safety management system	British Safety Council have awarded 4 star status. This action is now closed	Oliver Sanandres	18-Apr-2016	29-Feb-2016
CR09B Compliance Audits	Rolling programme of departmental compliance audits conducted by the Corporate Health and Safety Unit	Audits currently on-going. The 2016-17 programme will commence from April 2016	Oliver Sanandres	18-Apr-2016	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 22-Sep-2014 Simon Woods	Cause: Breach of IT Systems resulting in unauthorised access to data by internal or external sources. Officer/ Member mishandling of information. Event: Cybersecurity 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. Reputational damage to Corporation as effective body.	 Likelihood Impact	12	Paper outlining wider approach to information governance and security approved by Summit Group in April 2016. Recommended engagement with Chief Officers commenced in April 2016 to develop a programme of activity spanning policy agreement, information asset register and owners, and further work to be done with departments. (Risk score changed from 6 to 12 in April 2016) 23 May 2016	 Likelihood Impact	4	31-Dec-2016	 Increase

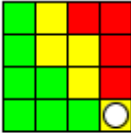
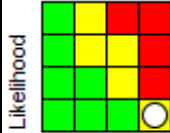

Action no, Title,	Description	Latest Note	Managed By	Latest Note Date	Due Date
CR16b Review and strengthen Data Retention, Management and Ownership.	For all major systems establish data owner and retention policy for information therein.	Paper outlining wider approach to information governance and security approved by Summit Group in April 2016. Recommended engagement with Chief Officers commenced in April 2016 to develop a programme of activity spanning policy agreement, information asset register and owners, and further work to be done with departments.	Christine Brown	29-Apr-2016	31-Dec-2016

Action no, Title,	Description	Latest Note	Managed By	Latest Note Date	Due Date
CR02A Special Representative of the City to the EU	Appointment of former Foreign Office Minister, Jeremy Browne, to new position to enhance our engagement with EU policy makers.	EU Engagement Programme now in place - 6 months programme of visiting all EU Member States.	Giles French	14-Jan-2016	01-Sep-2015
CR02B Restructure of the team working on financial and professional services	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
CR02C UK Referendum on membership of the EU	City Corporation providing opportunities for informing the debate on the EU Referendum, and representing the views of the financial and professional services sector	Programme of activity in place and additional opportunities being sought with trade associations and think tanks. Sponsorship of independent fact checking organisation Full Fact	Damian Nussbaum	22-Apr-2016	23-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
CR10 Adverse Political Developments	<p>Cause: Financial services issues that make the City Corporation vulnerable to political criticism; local government devolution proposals that call into question the justification for the separate administration of the Square Mile.</p> <p>Event: Functions of City Corporation and boundaries of the City adversely affected.</p> <p>Impact: Controversy over reforms which damages the City's reputation as a place to do business. The future of the City of London Corporation as an independent body could be undermined.</p>	<p>Likelihood</p>  <p>Impact</p>	8	There has been close engagement with those responsible for formulating proposals to enable the devolution of responsibilities while safeguarding the City. The developing domestic political situation is being given close consideration. Constant attention is given to the form of legislation affecting the City. Continues promotion of the good work of the City Corporation among opinion formers particularly in Parliament and Central Government so that the City Corporation is seen to remain relevant and "doing a good job" for London and the nation. The Office also	<p>Likelihood</p>  <p>Impact</p>	8		↔

22-Sep-2014 Paul Double				provides advice on the City Corporation's approach to important political developments including the EU referendum and the London Mayoral Election. 24 May 2016				No change
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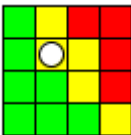
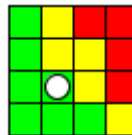
Action no, Title,	Description	Latest Note	Managed By	Latest Note Date	Due Date
CR10a monitoring legislation	Monitoring of Government legislation and proposed regulatory changes.	Relevant Bills in the Government's legislative programme have been identified and City Corporation departments alerted to issues of potential significance.	Paul Double	23-May-2016	31-Mar-2017
CR10b Provision of information	Provision of information to Parliament and Government on issues of importance to the City.	Briefing has been provided for parliamentary debates on air quality, immigration, housing, planning, the creative industry, trade and investment, apprenticeships, economic crime, Fintech and broadband.	Paul Double	23-May-2016	31-Mar-2017
CR10c Stakeholder engagement	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.	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	23-May-2016	31-Mar-2017

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
CR17 Safeguarding 22-Sep-2014 Ade Adetosoye	Cause: Not providing appropriate training to staff, not providing effective management and supervision, poor case management Event: Failure to deliver actions under the City of London' safeguarding policy. Social workers and other staff not taking appropriate action if notified of a safeguarding issue 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	 Likelihood	8	Work is still ongoing to raise awareness of safeguarding and the quarterly meetings of the Safeguarding Champions continue. 18 Apr 2016	 Likelihood	8	31-Mar-2017	 No change

Action no, Title,	Description	Latest Note			Managed By	Latest Note Date	Due Date
CR17b Work with HR to develop training programmes to support staff	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 that 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 Safeguarding Awareness Sessions for DCCS Staff	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 Raising awareness of Private Fostering, role of Local Authority Designated Officer	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

(LADO)					
CR17e Prevent agenda - new guidance	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 Review of City of London Safeguarding Policy	A review of the City of London Safeguarding Policy will be undertaken with the involvement of the Departmental Safeguarding Champions	Completed - revised policy agreed at Safeguarding sub committee and launched at Safeguarding Champions meeting in December	Chris Pelham	18-Jan-2016	31-Dec-2015
CR17g Preparation for Inspection of Children's Services and Ofsted Inspection Framework	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.	Completed - All appropriate staff and partners have completed the awareness sessions regarding the Thresholds of Needs document	Chris Pelham	18-Apr-2016	31-Mar-2016
CR17h Evaluation of Notice the Signs – awareness raising campaign	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
CR17i New London wide Adults Safeguarding Procedures agreed	Procedures to be formally adapted and training provided	Completed - New London wide Adult Safeguarding Procedures have been formally adopted. Training has been provided to appropriate staff and forms for use on the Social Care information system are now available.	Chris Pelham	18-Apr-2016	31-Mar-2016
CR17j Promoting role of Local Authority Designated Officer (LADO)	Raising awareness of the LADO role with Members and partners	Completed - referrals to the LADO have increased as a result of the work to highlight the role of the LADO. An external facing email is now available to make reporting easier. Training on safer recruitment has been provided to staff and partners via the City and Hackney Safeguarding Children Board. Guidance has been reviewed and updated.	Chris Pelham	18-Apr-2016	31-Mar-2016

CR17k Review role of Safeguarding Champions	The role of Safeguarding Champions to be reviewed and to consider if Domestic Violence can be added to the role	The City of London Domestic Abuse Co-ordinator now attends the Safeguarding Champions group. An update on the effectiveness of the Safeguarding champions has been provided to the Director of Open Spaces	Chris Pelham	23-May-2016	30-Jun-2016
CR17l Online Adult Safeguarding Training	Online basic Adult Safeguarding training will be mandatory for DCCS staff	Online basic Adult Safeguarding training will be mandatory for DCCS staff. A suitable product will be identified and will be added to the online learning resource	Chris Pelham	18-Apr-2016	31-Dec-2016
CR17m Raise Awareness of financial abuse and scams	The Adult Social Care Team will be working with the City of London Police to raise the profile of financial abuse and scams	Actions will be identified to raise the profile of financial abuse and scams and the risks presented especially to older people living in the square mile.	Chris Pelham	23-May-2016	31-Mar-2017

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
Page 33 P0014 Funding Reduction	Cause: Reduced funding from Central Government. Event: Reduced funding available to the City Corporation and City of London Police. Effect: City Corporation will be unable to maintain a balanced budget and healthy reserves in City Fund, significantly impacting on service delivery levels and reputation.	 Likelihood	6	The recent indication of a downturn in public finances underlines the importance of continuing to deliver the Service Based Review savings and of looking for further opportunities to secure improvements in efficiency through continuous improvement in the way the Corporation operates and organises itself. These ideas will feed into an Efficiency Plan to be developed over the next few months and published as part of the deal to get certainty over local government grant over the next four years. For the Police Fund, the increase in the Business Rate Premium from April 2016 covers £1.6m of additional cost pressures relating to security, however, the underlying financial position remains challenging with forecast deficits in 2017/18 and 2018/19 respectively to be addressed.	 Likelihood	4	31-Mar-2017	↔
		Impact			Impact			

22-Jun-2015 Peter Kane				09 May 2016				No change
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Action no, Title,	Description	Latest Note	Managed By	Latest Note Date	Due Date
CR14b SBR implementation – Departmental Savings and cross-cutting reviews.	SBR proposal implementation within Departments and with cross cutting workstreams to identify further efficiencies in strategic asset management, income generation, and reviews of grants and hospitality. Scrutiny by the Officer Strategic Resources Group and Efficiency and Performance Sub-Committee.	SBR proposal implementation within Departments and with cross cutting workstreams to identify further efficiencies in strategic asset management, income generation, and reviews of grants and hospitality. Scrutiny by the Officer Strategic Resources Group and Efficiency and Performance Sub-Committee.	Caroline Al-Beyerty	23-May-2016	31-Mar-2017
CR14h Develop Efficiency Plan	Efficiency Plan to be developed and approved by Court of Common Council which sets out a framework that would incorporate continuous improvement savings and a rolling review programme to secure more radical changes in efficiency and effectiveness.	Efficiency Plan discussed at April Strategic Resources Group and April Summit Group. Report to Finance Committee in May.	Peter Kane	09-May-2016	14-Oct-2016
CR14i Develop strategy to address projected Police deficits	City Police is forecasting deficits in 2017/18 and 2018/19 which need to be addressed.	CoL Police is initiating an efficiency programme to address the shortfall. Business Rate devolution may also potentially plug this gap when government grant funding is forecast to be removed completely from 19/20 , however detailed modelling is required to evaluate impact.	Caroline Al-Beyerty	23-May-2016	31-Mar-2017

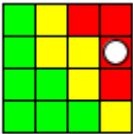
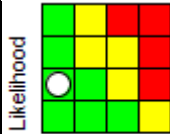



Top red departmental risk register

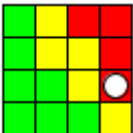
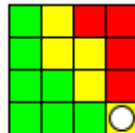

Report Author: Paul Dudley

Generated on: 26 May 2016

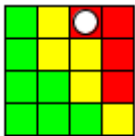
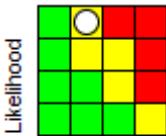
Rows are sorted by Risk Score

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
DCS PE 002 Failure to deliver expansion of Sir John Cass Foundation Primary School to 2 form entry in September 2017 11-Jun-2015 Ade Adetosoye	Cause Expansion not delivered Event Building project not completed Effect Lack of first choice school places for City children	Likelihood  Impact	24	City of London representatives will be attending the Sir John Cass's Foundation Board meeting on 8 June to discuss this issue further. 19 May 2016	Likelihood  Impact	2	31-Aug-2017	 No change

Action no, Title,	Description	Latest Note	Managed By	Latest Note Date	Due Date
DCCS PE 002a Tripartite meetings	Tripartite meetings take place between the Sir John Cass Foundation, Sir John Cass Foundation School Board of Governors and the City of London has taken place but no further meetings have been scheduled.	Tripartite meeting have reconvened and the first meeting will take place on 19 April 2016	Chris Pelham	23-May-2016	19-Apr-2017
DCCS PE 002b Discussions with Comptroller and City Solicitor and others regarding the expansion	Efforts to engage with parties to the negotiation continue	Although agreement has now been reached to operate a bulge class in September 2016, the City Corporation is still seeking a permanent expansion to a 2 form entry. The risk remains at RED as negotiations are continuing and the target date for the resolution to this risk has been amended to September 2017. City Corporation representatives will be attending the Sir John Cass's Foundation Board meeting on 8 June to discuss this issue further. The risk rating will be reviewed in the light of the outcome of the meeting.	Chris Pelham	23-May-2016	31-Aug-2016

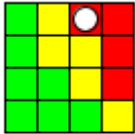
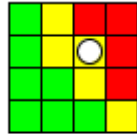

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
TP-TP-01 Road Traffic Collision caused by City of London staff or contractor who is unfit to drive while on City business 13-Mar-2015 Steve Presland	Cause: A member of staff/contractor who is unfit or unqualified to drive causes ... Event: a road traffic collision which results in ... Impact: death or injury; financial claim	 Likelihood	16 Impact	The roadshows are underway and should be completed by the end of May. Despite this slight slippage we are still on target to achieve the implementation of the Corporate Transport Policy by the end of June. 29 Apr 2016	 Likelihood	8 Impact	01-Sep-2016	 No change

Action no, Title,	Description	Latest Note	Managed By	Latest Note Date	Due Date
DBE-TP-01a Approve Corporate Transport Policy	Approve Corporate Transport Policy [NB this depends on HR and Chief Officers]	ACTION COMPLETED 16 Jul 15	Oliver Sanandres	29-Apr-2016	31-Aug-2015
DBE-TP-01b Implement Corporate Transport Policy	Implement Corporate Transport Policy (including establishing monitoring regimen)	The roadshows are underway and should be completed by the end of May. Despite this slight slippage we are still on target to achieve the implementation of the Corporate Transport Policy by the end of June.	Steve Presland	29-Apr-2016	30-Jun-2016
DBE-TP-01c Driver safeguards in future City contracts	Work with the Corporate Procurement Service to embed driver safeguards in future City contracts	Following comments from CLPS we will be reporting to Committee in the summer regarding potential impact on contract costs.	Steve Presland	29-Apr-2016	31-Dec-2016

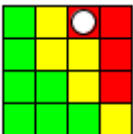
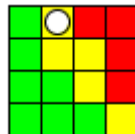

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
DCCS HS 002 Failure to carry out and review effective Fire Risk Assessments for more than 5000 units of residential accommodation and a number of commercial units 14-Jan-2016	Cause Fire Risk Assessments for managed properties not carried out effectively Event Fires do occur from time to time. Effective Assessments reduce the risk and identify if any changes to procedures or maintenance regimes that need to be reviewed or introduced Effect Fires can lead to significant property damage and potential loss of life	 Likelihood Impact	16	Consultants to undertake the Fire Risk Assessments have been appointed subject to procurement checks. It is anticipated that a work plan will be agreed by the end of April 2016. The assessments will be quality assured by the Corporate Fire Safety Advisor. Action identified as a result of the assessments will be tracked and monitored 18 Apr 2016	 Likelihood Impact	8	31-Mar-2017	↔ No change

Paul Murtagh							
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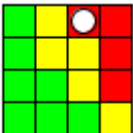
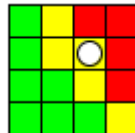
Action no, Title,	Description	Latest Note	Managed By	Latest Note Date	Due Date
DCCS HS 002a Consultant to carry out new fire risk assessments to all managed properties.	Consultants will be employed to carry out risk assessments to all residential and commercial properties managed by the Department. To be appointed and schedule of works to be agreed by end of March 2016	Consultants to undertake the Fire Risk Assessments have been appointed subject to procurement checks. It is anticipated that a work plan will be agreed by the end of April 2016. The assessments will be quality assured by the Corporate Fire Safety Advisor. Actions identified as a result of the assessments will be tracked and monitored.	Paul Murtagh	19-Apr-2016	30-Apr-2016
DCCS HS 002b Training to be provided to Housing staff to carry out and review effective fire risk assessments	Training provider for Fire Risk Assessments to be identified. Appropriate staff will be nominated to attend.	Training to be provided to staff. This will be carried out by a training provider yet to be identified.	David Padfield	22-Jan-2016	31-Dec-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
DCCS HS 003 Lone Working 14-Jan-2016 Sharon McLaughlin	Cause Staff working on their own in isolated locations or visiting residents or clients homes Event Staff suffer verbal abuse, physical attack or are an accident victim Effect Harm or serious injury to staff	 Likelihood	16 Impact	Development and implementation of a DCCS Lone Working Policy has commenced. 21 Apr 2016	 Likelihood	12 Impact	31-Mar-2017	 No change

Action no, Title,	Description	Latest Note	Managed By	Latest Note Date	Due Date
DCCS HS 003a Sky Guard Review	A review of the current Lone worker protection device is in progress. Some staff report connectivity problems. At the finish of the review a decision will be taken to continue or to investigate a different solution	It is likely that an APP will replace the sky guard system and this is being assessed at the moment. Presentations to staff on the APP will take place by the end of April. If the APP proposal is agreed by the Departmental Leadership Team it may be implemented by the end of July 2016	Paul Murtagh	18-Apr-2016	31-Jul-2016
DCCS HS 003b Lone Working Procedures	Not all staff are working in compliance with the departmental lone working procedures. These will be reviewed to check why they are not being implemented by all staff and reviewed if appropriate. Compliance with new procedures will be monitored by managers and the quarterly Health and Safety Committee. It is anticipated that monitoring information will be available from Skyguard or the replacement system.	Development and implementation of a DCCS Lone Working Policy has commenced	Paul Murtagh	21-Apr-2016	30-Sep-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
DCCS PE 004 Pupil funding - introduction of new formulae may reduce levels of funding from 2017/18 22-Mar-2016 NEW RISK	Cause: Change in government policy Effect: Introduction of new national pupil funding formulae may lead to up to 50% reduction in pupil funding for Sir John Cass Foundation Primary School Event: Potential financial viability issues for the school	Likelihood  Impact	16	The response to the Government on the new pupil funding formulae has been drafted 18 Apr 2016	Likelihood  Impact	8	31-Mar-2017	 No change

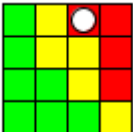
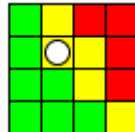

Action no, Title,	Description	Latest Note	Managed By	Latest Note Date	Due Date
DCCS PE 004a Brief Members of the Committee and Sir John Cass Foundation	Members of the Community and Children's Services Committee and the Sir John Cass Foundation will be briefed on the possible impact of the new funding formulae and the proposed response to the consultation by end of March 2016	The City of London response to the new national funding formulae has been drafted. Members of the Community and Children's Services Committee and the Sir John Cass Foundation will be briefed on the possible impact by the end of April 2016	Chris Pelham	21-Apr-2016	30-Apr-2016
DCCS PE 004b Financial Modelling Exercise	A Financial Modelling Exercise will be undertaken regarding Sir John Cass finances.	A financial modelling exercise will be undertaken into Sir John Cass finances. It is anticipated that this will be completed by 31 July 2016 and will provide a framework to plan mitigation in respect of the possible reduction in funding	Chris Pelham	21-Apr-2016	31-Jul-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
Page 40 GSMD EFI Failure to Secure Lease Renewal of Sundial Court in 2020	<p>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.</p> <p>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.</p> <p>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.</p>	<p>Likelihood</p>  <p>Impact</p>	16	<p>On 9 May 2016 at the GSMD Board of Governors it was resolved that Governors:-</p> <ul style="list-style-type: none"> . note the risk to the School's current accommodation provision presented by the lease expiry at Sundial Court; . instruct the City Surveyor to prepare a summary of options relating to Sundial Court for the Board's consideration following an early discussion with the landlord to understand their position, explore renewal of the lease and update the Board at its next meeting; . endorse the recommended approach that the Principal, working together with the City Surveyor and Chamberlain, produce an accommodation strategy exploring the medium-long term accommodation 	<p>Likelihood</p>  <p>Impact</p>	12	05-Apr-2017	↔

09-Jul-2015 Michael Dick				<p>needs of the School for the Board's September meeting; and endorse that the strategy contain a series of recommendations for the Board regarding its accommodation needs.</p> <p>The City Surveyor is currently in negotiations with the landlord on lease renewal options.</p> <p>25 May 2016</p>				No change
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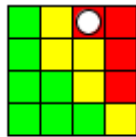
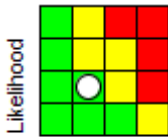
Action no, Title,	Description	Latest Note	Managed By	Latest Note Date	Due Date
GSMD EFI 001a Dilapidations Survey	Commissioning of specialist dilapidations survey	In progress.	Michael Dick	25-May-2016	31-Aug-2016
GSMD EFI 001b Accommodation Alternative	Search for availability of alternative student accommodation	Active and in progress.	Michael Dick	25-May-2016	09-Jul-2016
GSMD EFI 001c City Surveyor Liaison	Engagement with City Surveyor on action plan	Ongoing.	Michael Dick	25-May-2016	31-Jul-2016

GSMD EFI 001d Student Accommodation Strategy	Develop longterm student accommodation strategy	Draft has been completed for review by stakeholders.	Michael Dick	25-May-2016	09-Jul-2016
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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
OSD 005 Animal, Plant and Tree Diseases 10-Mar-2015 Sue Ireland Page 42	Causes: Inadequate biosecurity; purchase or transfer of infected trees, plants, soil and/or animals; 'natural' spread of pests and diseases from neighbouring areas. Event: Sites become infected by animal, plant or tree diseases e.g. Oak Processionary Moth (OPM), foot and mouth, Massaria, Ash Die Back, <i>Salmonella</i> (DT 191a), Leaf Miner Moth Impact: Service capability disrupted, public access to sites restricted, animal culls, tree decline, reputational damage, increased cost of monitoring and control of invasive species, risk to human health from OPM or other invasives, loss of key native species, threat to existing conservation status of sites particularly those with woodland habitats. invasives	 Likelihood Impact	16	This remains a serious risk due to the ongoing spread of OPM and other diseases, although impact on sites is being actively managed by staff within the department. 20 May 2016	 Likelihood Impact	6	01-Apr-2017	 No change

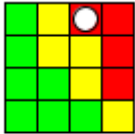
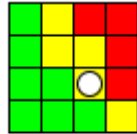
Action no, Title,	Description	Latest Note		Managed By	Latest Note Date	Due Date
OSD5 a Monitoring Programmes	Lackey/Brown Tail/Oak Processionary/Gypsy Moth monitoring programmes in place. Pilot treatments of Horse Chestnut infected with Leaf Miner Moth at EF.	Actions ongoing.		Andy Barnard; Gary Burks; Martin Rodman; Paul Thomson; Bob Warnock	20-Jan-2016	01-Apr-2017
OSD5 b Treatment of any OPM sites	Treatment will be depend on lifestyle of the OPM but to be undertaken as early as possible. Pheromone traps in place for OPM.	Ongoing reactive action.		Andy Barnard; Gary Burks; Martin Rodman; Paul Thomson; Bob	14-Mar-2016	01-Apr-2017

			Warnock		
OSD5 c Cattle biosecurity	Movement of cattle to be controlled to reduce risk of disease	protocols still in place	Andy Barnard; Paul Thomson	20-Jan-2016	31-Mar-2017
OSD5 d Plant and tree procurement	Sourcing to be controlled to minimise spread of disease	Hampstead Heath have engaged with Ponds Project contractors about controls required for trees and plants brought to site	Andy Barnard; Gary Burks; Martin Rodman; Paul Thomson; Bob Warnock	20-Jan-2016	31-Mar-2017
OSD5 e Engagement with leading partners	Active involvement with leading partners such as Forestry Commission and Natural England. Membership of relevant forums to keep knowledge updated	Ongoing liaison with partners, attendance at meetings etc. Oak Processionary moth report presented to Open Spaces and Management committees in April, May and June	Andy Barnard; Martin Rodman; Paul Thomson; Bob Warnock	19-Apr-2016	31-Mar-2017
OSD5 f Relevant training	Staff trained and have specialist subject knowledge. Biosecurity measures are in place across the Division for staff, volunteers and contractors	Training needs identified through PDR process where there has been changes to staffing	Andy Barnard; Gary Burks; Martin Rodman; Paul Thomson; Bob Warnock	19-Apr-2016	31-Mar-2017

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
SUR SMT 005 Recruitment and retention of property professionals	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	<p>This risk details the impact of a strong property and construction market driving increasingly attractive remuneration packages which has resulted in increased vacancies, objectives unachieved or delivered late, reduced customer satisfaction.</p> <p>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 identifying projects or work where value can be</p>	 Likelihood Impact	4	30-Jun-2016	↔

17-Mar-2015 Peter Bennett				<p>added by outsourcing. However, basic pay is now well below market levels, meaning we are only able to recruit less experienced professionals.</p> <p>Mitigation actions include encouraging CoL to adapt and change the approach to Reward and Earnings Package. Career grades are not currently being progressed but research is being conducted and a report is being prepared for Establishment Committee. Town Clerk's Department are also reviewing remuneration packages.</p> <p>Market forces are now being considered on a case by case basis.</p> <p>13 Apr 2016</p>				No change
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Action no, Title,	Description	Latest Note	Managed By	Latest Note Date	Due Date
SUR SMT 005a Adopt and Change Approach	Encourage CoL to adapt and change the approach to Reward and Earnings Package	<p>On-going. Career grades are not currently being progressed. However research is being conducted and report is being prepared for Establishment Committee. Town Clerk's Department are also reviewing remuneration packages</p> <p>. Market forces being considered. Case by case basis. Liaising with HR.</p>	Peter Bennett	04-Mar-2016	30-Apr-2017
SUR SMT 005b Develop Workforce Plan	Establish strategies specific to the department that have a particular focus on talent management, reward and retention	Management team meetings are underway with HR. HR are identifying people and teams that would face loss and a range of strategies to be put into place to limit the effect. Focusing on the need to recruit and retain.	Peter Bennett	26-May-2016	30-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
SUR SMT 009 Failure of implementation and management of the Oracle Property Management System	Cause: Implementation and subsequent management of Oracle Property module to meet business needs 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	 Likelihood	16 Impact	<p>This risk continues to be progressed, however there five issues that are being finalised. At the request of CASC (11 March 2016) the department has provided target dates and a progress report for each of these five outstanding issues.</p> <p>i. Data Validation (Archibus interface with Oracle) Target date is September 2016. The Oracle interface with Archibus has been completed and is operational. There remains work needed to the data which requires restructuring and cleansing. This is a six month project being led by the Corporate Property Group Director. Status is GREEN.</p> <p>ii. Service Charge Module Target was 29th April 2016. PwC attended site to work on the remaining Caps issue (31st Mar / 6th April) as planned. Business retesting took longer than expected due to year end. However the Service Charge Caps issue has been fixed and signed off ready for production. This is working for investment properties but Markets are having to restructure their data. Status is RED.</p> <p>iii. Argus Interface This is a deliverable of the internal development team. Based on current priorities and commitments closure is expected in June 2016. Argus</p>	 Likelihood	8	30-Jun-2016	↔

03-Mar-2015 Nicholas Gill				<p>interface with Oracle functions correctly but the converse is a problem. Status is RED.</p> <p>iv. Archibus Interface Delivery completed and closed March 2016. Further enhancements and changes will be allocated to the internal development team once the Archibus data validation exercise above is completed or priority dictates. Status is GREEN.</p> <p>v. OPN Reports Target date was 29th April 2016. Thirteen reports have been impacted by service charge 'dummy lease' for vacant units work-around, most notably Tenant Debt and Vacancy reports. All this is now the subject of a separate review and any outcomes will be subject to testing which is likely to move the target date to end of July. Status is RED.</p> <p>26 May 2016</p>				No change
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Action no, Title,	Description	Latest Note	Managed By	Latest Note Date	Due Date
SUR SMT 009a Monitor Staff Resources	Monitor staff resources to manage business as usual tasks and project	On-going. Following resignation of key post (Senior Principal Surveyor) resources have been managed to ensure key implementation tasks are successfully completed	Nicholas Gill	26-May-2016	30-Mar-2017

SUR SMT 009b Replace core Manhattan functions	Replace core Manhattan functions of rent, leases management and service charge recovery	COMPLETE. Rent, lease management and service charge recover are being managed within Oracle Property Management System.	Nicholas Gill	27-Jan-2016	30-Nov-2015
SUR SMT 009c Ensure efficient use and future management of system -	Ensure efficient use and future management of system- implement Asset Management Information System Ensure Data Loader is able to update projects	Business as usual model, still to be addressed.	Nicholas Gill	26-May-2016	30-Sep-2016

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Committee	Dated:
Audit and Risk Management	14 06 2016
Subject: Deep Dive: CR21 Air Quality	Public
Report of: Director of Markets and Consumer Protection	For Information
Report author: Ruth Calderwood Environmental Policy Officer, Port Health and Public Protection Dept.	

Summary

Central London experiences high levels of air pollution. Air quality in the Square Mile is unlikely to meet the European health based limit values that have been set for the pollutant nitrogen dioxide until 2025 at the earliest. This is ten years after the legal compliance date.

The City Corporation has a statutory obligation to assist the Mayor of London and government to improve air quality. Failure to do so could result in significant fines from the European Commission. The fines can be passed down to local level. This has been identified as a corporate risk. This is a 'deep dive' report for that risk: CR21 Air Quality.

The following five actions have been identified to demonstrate how the City Corporation is mitigating the risk associated with poor air quality:

- Implement policies in the City of London Air Quality Strategy
- Review and assess air quality in line with statutory obligations
- Become an Exemplar Borough for air quality
- Develop a communications strategy
- Develop and implement a plan for reducing the impact of diesel vehicles

Good progress is being made with all actions. The City Corporation will continue to take action to improve air quality through its Air Quality Strategy until it meets the required legal limits.

Recommendation

Members are asked to note the report.

Main Report

Background

1. Being located at the heart of London, the City experiences some of the highest levels of air pollution in the Country. The main source is diesel vehicles, particularly buses, taxis and vans, with a contribution from boilers, other combustion plant and also construction activity.

2. The Square Mile is affected by pollution generated outside of its boundary. Under certain weather conditions as much as 80% of the pollution measured in the City does not originate within the Square Mile itself.
3. The impact of air pollution on health is both acute and chronic. It is associated with cardiovascular and cardiopulmonary disease, lung cancer and respiratory disease. It also affects lung development in children. Short term pollution episodes can lead to an increase in hospital admissions for vulnerable people. Exposure to current levels of air pollution in central London over the long term has been shown to reduce life expectancy across the whole population. The latest Mayor of London report puts number of premature deaths from air pollution at over 9,000 per annum¹
4. EU Directives require Member States to assess air quality to ensure it meets health based levels, known as limit values. If it does not, the Member State is required to take appropriate action to ensure that the air quality meets the limit values in a reasonable time period. Failure to do so could result in a fine.
5. Air quality in the UK meets the prescribed limits for all pollutants except nitrogen dioxide. The European Commission has commenced infraction proceedings against the UK for missing the compliance date, and for its lack of proposed action to deal with nitrogen dioxide. Following a direction from the Supreme Court in April 2015, the UK government submitted an updated plan to the European Commission in December 2015 outlining further steps that will be taken. This plan is already being challenged in UK domestic courts as it is considered to be too weak. It has been estimated that the fines for non-compliance with the limit value could be as much as £300 million per year.
6. Fine particles (PM_{2.5}) meet current legal limits. However, it is considered that there is no safe level of this pollutant so Member States are required to reduce concentrations by 2020 relative to a 2010 baseline. In London concentrations must be reduced by 15% during this ten year period. The responsibility for this lies with national, not local, government.
7. The main statutory obligation for local authorities in relation to air quality is detailed in the Environment Act 1995. In its local authority role, the City Corporation is required to assist the Mayor of London and the government to meet the air quality limit values. Ultimate responsibility for compliance lies with the government and the Mayor of London. However, if fines are levied on the UK for lack of action, the Localism Act 2012 enables part of the fine to be passed down to local authorities if it can be demonstrated that they have not taken appropriate action. The proportion of the fine would be decided by an independent advisory panel and the ultimate decision could be subject to judicial review by an aggrieved authority.

¹ Understanding the Health Impacts of Air Pollution in London, Kings College London, July 2015.
https://www.london.gov.uk/sites/default/files/HIAinLondon_KingsReport_14072015_final_0.pdf

8. The opinion of the Comptroller and City Solicitor on this matter is that 'mere bare compliance with a statutory duty may not be sufficient (to avoid fines) if other steps could reasonably have been taken which were within the power of the (local) authority in question'. It is for this reason that the City Corporation should have robust plans and policies in place that go beyond its statutory obligation.
9. Local authorities also have a statutory obligation under the Health and Social Care Act 2012 to improve the public health of their population. One of the indicators used to assess performance with this is exposure of the population to PM_{2.5} particle pollution. PM_{2.5} is a size of particle not visible to the naked eye that gets deep into the lungs, and even the blood stream, and does the most damage to health. Levels of PM_{2.5} across the London meet the limit set out in European Directives. However, this limit is higher than the World Health Organisation guideline for health and this is not currently met across London.

Current Position

10. Air quality in the City does not meet the annual average limit value for nitrogen dioxide, although levels have been falling over the past few years. Concentrations are particularly high at busy roadsides such as Upper Thames Street, where it is around three times the limit value, and Beech Street where it is twice the limit value.
11. The main source of air pollution in the City is diesel vehicles. The location of the Square Mile means that it is likely to be one of the last places in the United Kingdom to meet the limit values.
12. Air pollution is largely a central London problem and as a consequence, the Mayor of London intends to introduce an Ultra-Low Emission Zone in the existing Congestion Charge Zone in 2020. Access will be restricted to the cleanest vehicles. Transport for London has predicted that, following its implementation, only areas adjacent to the busiest roadsides in central London will have levels of nitrogen dioxide that don't meet the limit values.
13. The recently elected Mayor of London intends to consult on extending the boundary of the Ultra-Low Emission Zone to the north and south circular roads and on introducing it before 2020. This would lead to greater improvements in air quality.

Risk mitigation

14. In order to reduce the risk associated with financial penalties for non-compliance with the air quality limits for nitrogen dioxide, the City Corporation needs to demonstrate that it has taken, and will continue to take, a wide range of actions to bring about improvements to air quality. The City Corporation must also ensure that any action it takes does not result in an increase in levels of pollution, which could lead to the UK government receiving fines from the European Commission for non-compliance of air quality limit values.

15. The actions which have been chosen to demonstrate risk mitigation for CR21: Air Quality, and progress with each action, are summarised in Appendix A. Further detail on the actions is provided in paragraphs 16 to 19.

16. Air Quality Strategy and Statutory Reporting

- a) As levels of pollution do not meet health based limits in the City, the Corporation has produced an Air Quality Strategy outlining action that will be taken to both improve air quality, and to help people reduce their exposure to the highest levels of air pollution. This is a statutory obligation. The Air Quality Strategy has 10 policy areas with 60 specific actions. A copy has been made available in the Member's reading room and can be found at www.cityoflondon.gov.uk/air. Progress with each action is reported to the Mayor of London and government each year. These are statutory reports.

17. Exemplar borough

- a) The GLA has introduced criteria that should be met for a London local authority to be awarded 'exemplar borough' status. Exemplar borough status will help to mitigate the City Corporation's risk as it will demonstrate that the City Corporation is doing above and beyond what is expected for statutory compliance to improve air quality and reduce public exposure.
- b) Authorities are required to undertake action in the areas listed below. These are already included in the City Air Quality Strategy 2015 to 2020 and the City Corporation will be reporting on progress with these each year:
- Political leadership
 - Taking action
 - Leading by example
 - Informing the public
 - Integrating air quality into the public health system
 - Using the planning system
- c) The City Corporation is recognised as the lead local authority for air quality policy across London. For example, the City Corporation:
- provides the chair for the London Air Quality Steering group;
 - is rolling out the successful vehicle idling engine action days to 10 other London boroughs;
 - commissioned research which led to a change in policy regarding biomass (wood) burning in London due to the potentially high impact on local levels of pollution;
 - carried out the largest community based air quality monitoring project in the UK with Barbican residents;
 - supported an influential piece of air quality research by the independent think tank, Policy Exchange
 - negotiated with Addison Lee, the providers of the current corporate taxi contract, to use petrol hybrid vehicles as default for City employees, with a requirement that drivers switch the engines to electric mode if possible when driving in sensitive areas of the City

- organised a seminar for the construction and demolition industry following the introduction of the Mayor of London's new requirements to control emissions from equipment on construction sites

In addition:

- the Chairman and Deputy Chairman of Port Health and Environmental Services have met the Defra Minister for air quality with key business air quality champions from the City's Air quality business engagement programme;
- the CityAir air quality business engagement programme has been replicated across a number of other London Boroughs;
- The Environmental Policy Officer has recently given a presentation to the Parliamentary and Scientific Committee.

18. Communications strategy

Air pollution in London is taking time to improve to an acceptable level. The City Corporation considers that it is important to advise the public how they can reduce their exposure to poor air quality until the concentration of pollutants in the air meets health based limits.

- a) One of the main ways that the City Corporation provides information to the public about current levels of pollution is through its free smartphone application (App) called CityAir. The App advises users when pollution is forecast to be high and helps the public to understand how they can minimise their exposure to air pollution when moving around the City. There are almost 15,000 active users of the App and it is currently being updated. Sir John Cass School receives direct alerts as children are more susceptible to high levels of air pollution. There are plans to provide alerts to other City schools under the forthcoming air quality communications strategy.
- b) The City Corporation provides additional information on air quality in a number of ways:
 - through the provision of information sheets for the public
 - working with City businesses to provide messages to employees through the CityAir business engagement programme and through Business Healthy www.businesshealthy.org
 - a three year air quality programme with Barts Health NHS Trust to train clinicians to deliver messages to vulnerable people
 - an air quality monitoring programme with City residents to help them understand how pollution varies in an urban environment
 - a variety of media appearances and presentations at a range of forums, including residents meetings, business groups and expert panels.

19.Reducing emissions from diesel

- a) The City Corporation has received a small amount of funding from Transport for London to look into a range of options to reduce the impact of diesel on local air pollution. Work has commenced to consider options, which are likely to include actions to encourage and support new petrol hybrid taxis in the Square Mile.
- b) The City Corporation has applied for funding to establish a Low Emission Neighbourhood in the City. If successful, several measures will be implemented that support and encourage non diesel vehicles.
- c) The City Corporation is very active in dealing with emissions from idling vehicles engines and is currently holding a 'no engine idling action day' each month. This initiative has received national publicity on BBC TV and radio.

Risks and challenges

20.A number of issues make air quality improvements challenging in the City. Many of these are outside the control of the City Corporation.

- a. There are on-going uncertainties around emissions from diesel vehicles. Early signs are that emissions from the newest heavy goods vehicles are low, but emissions from vans and cars still don't meet the required limits. This issue is being dealt with at a European level. Unfortunately there are not many viable alternatives to diesel vans available on the market at the moment which makes it difficult to introduce policies to restrict these vehicles.
- b. The Square Mile is heavily influenced by pollution generated across London. The population and size of the Capital is set to increase and this will impact on local air quality.
- c. The drive for decentralised energy is bringing electricity generation back into the centre of London, with the associated pollution. Combined heat and power plant are being installed in new developments. This plant emits much higher levels of NOx than gas boilers.
- d. Establishments with large back-up generators are being asked to run them in times of peak energy demand in a process known as Short Term Operating Reserve (STOR). The generators were only designed for emergency use. The need for this type of electricity source could increase as London moves towards an electrified vehicle fleet. The City Corporation is leading on a piece of work with Westminster City Council to develop policy in this area.
- e. Roads closures in the City, and central London more widely, act to displace air pollution. All traffic reduction and re-routing plans need to incorporate air quality considerations.
- f. Taxis and buses, which are responsible for much of the pollution in the Square Mile, are controlled and run by the GLA/TfL.

21. Improving air quality is a key priority for the new Mayor of London. The City Corporation is increasingly being called upon to provide expertise and leadership on air quality across London and on a national basis. To achieve the maximum potential improvement in air quality in the Square Mile, and across the whole of London, additional resources will be required to support current and future initiatives.

Corporate & Strategic Implications

22. The work on air quality supports Key Policy Priority KPP3 of the Corporate Plan: 'Engaging with London and national government on key issues of concern to our communities such as transport, housing and public health'.
23. Improving air quality is overseen by Port Health and Environmental Services Committee and is a priority for the Health and Wellbeing Board. It is also of interest to the Planning and Transportation Committee.
24. In order to fully mitigate against any future risk for non-compliance with the limit values, air quality would benefit from being further embedded into key policy areas across the organisation and having full cross departmental support in recognition of the issue being a corporate risk for the organisation.

Conclusion

25. The City Corporation is making good progress with actions to mitigate the risks associated with poor air quality and is more than fulfilling its statutory duties. Implementation of actions within the City Air Quality Strategy will continue and the impact of the actions will be measured using the extensive network of monitoring equipment already in place.
26. Despite the above, levels of air pollution remain a problem. The introduction of the Ultra-Low Emission Zone will not be sufficient to meet limit values for nitrogen dioxide in the Square Mile within a reasonable time frame. Additional action is required.
27. The new Mayor of London has announced his intention to take further action to improve air quality in the Capital and it is important that the City Corporation continues to support the Mayor and play a major role in developing and implementing effective air quality policy across the Capital.
28. The City Corporation must ensure that all of its corporate policies reflect the need for better air quality and the role that the City Corporation can and should play in achieving this obligation.

Appendices

- Appendix 1 – Risk and Progress Summary for CR21:Air Quality

Background Papers - None**Ruth Calderwood**

Environmental Policy Officer

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Air Quality

Generated on: 19 May 2016 16:07




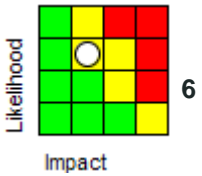
Code	CR21	Title	Air Quality
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Page 57	Description	<p>Cause: Small particulate pollution has chronic health impacts from long term exposure at very low concentrations and is in evidence within the City and central London. There is also a health impact 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:</p> <p>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).</p> <p>An increase in deaths, particularly of those already suffering from respiratory or cardiovascular conditions (both residents and workers).</p> <p>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.</p> <p>Persistent poor air quality may affect the longer term health of the City population.</p> <p>Persistent poor air quality may attract adverse media coverage making the City seem a less attractive place to live and work.</p>

Category	Environmental	Approach	Reduce (By appropriate remedial action)
Risk Level	Corporate	Risk Owner	Jon Avern

Strategic Aim	SA2	Key Policy Priority	KPP3
Department	Department of Markets and Consumer Protection	Committee	Port Health & Environmental Services Committee

Current Risk Assessment, Score & Trend Comparison	
Likelihood	Likely
Impact	Major
Risk Score	16
Review Date	18-Apr-2016

Target Risk Assessment & Score	
Likelihood	Possible
Impact	Serious
Risk Score	6
Target Date	31-Dec-2020

Latest Note	This risk relating to air quality is regularly reviewed in line with all statutory obligations imposed by the Environment Act 1995.
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Actions related to this risk:

Ref No:	Title	Action Description	Action Owner	Due Date	Progress	Latest Note
CR21 001a	Implement policies	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.	Ruth Calderwood	31-Aug-2016	20%	Actions within the 5 year strategy on track. Annual report to be submitted to the GLA detailing exact progress by August 2016
CR21 001b	Review Air Quality	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.	Ruth Calderwood	31-Aug-2016	0%	The timetable for submitting the report under the new arrangements for LLAQM has changed. The 2016 report will therefore be submitted by August 2016
CR21 001c	Become an Exemplar Borough	Ensure the City Corporation becomes a Mayor of London Exemplar Borough for air quality.	Ruth Calderwood	29-Dec-2017	25%	the City is taking all relevant action required by the GLA to become an exemplar borough but

						the scheme hasn't been officially launched yet
CR21 001d	Develop communications strategy.	Develop and implement a robust communications strategy to ensure people have sufficient information to reduce their exposure on days of 'high' air pollution.	Ruth Calderwood	30-Jun-2016	20%	Preliminary work completed on relevant messages to use. bid submitted for funding to support comms. On-going work with City businesses including business health workshop. Working on version 2 of CityAir App - have over 14000 active users
CR21 001e	Develop plan	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.	Ruth Calderwood	31-Dec-2018	15%	baseline work completed with Policy Exchange on range of options available. Submitted bid for funding for Low Emission neighbourhood. Obtained £100,000 funding from the Mayors Air Quality Fund to look into this further

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Committee(s)	Dated:
Audit and Risk Management Committee	14/06/2016
Subject: Head of Internal Audit Opinion and Annual Report	Public
Report of: Chamberlain	For Information
Report author: Chris Harris – Chamberlain's	

Summary

The Public Sector Internal Audit Standards require the Head of Internal Audit and Risk Management to provide the Audit and Risk Management Committee with an annual internal audit opinion. The opinion is used to help inform the City of London Corporation's Annual Governance Statement.

The following opinion is provided for the 12 months ended 31 March 2016:

"I am satisfied that sufficient quantity and coverage of internal audit work has been undertaken to allow me to draw a reasonable conclusion as to the adequacy and effectiveness of the City's risk management, control and governance processes.

*In my opinion, **the City has adequate and effective systems of internal control in place to manage the achievement of its objectives.** In giving this opinion, it should be noted that assurance can never be absolute and, therefore, only reasonable assurance can be provided that there are no major weaknesses in these processes.*

Notwithstanding the overall opinion, internal audit's work identified a number of opportunities for improving controls and procedures which are documented in each individual audit report."

Three areas reviewed are highlighted in the internal audit opinion, which resulted in 'red' (limited) assurance opinions. These relate to internal audit reviews undertaken of the City of London Police covering: Invoices on Hold; Supplies and Services; and a Follow up of Disaster Recovery. All reports and recommendations have been accepted by management and implementation of the recommendations will be verified by Internal Audit follow up.

Recommendation

Members are asked to note the Head of Internal Audit opinion.

Main Report

Background

1. The Head of Internal Audit and Risk Management is satisfied that sufficient quantity and scope of internal audit work has been undertaken to be able to draw a reasonable conclusion as to the adequacy and effectiveness of the City's risk management, control and governance processes. In reaching this conclusion the Head of Internal Audit and Risk Management has taken into account:
 - a. The work undertaken by the internal audit function throughout the entire year;
 - b. Key issues arising from this work; and,
 - c. Management responses to internal audit work
2. This report is supported, at **Appendix 1**, by a summary of all audit work finalised during the year. This work has been reported to the Audit and Risk Management Committee throughout the year.

Current Position

Basis of Annual Opinion

3. The following form the basis of the Annual Opinion:
 - Assessment of the quantity and coverage of risk based internal audit work against the 2015-16 internal audit plan to allow a reasonable conclusion as to the adequacy and effectiveness of the City's risk management, control and governance processes;
 - Review of the reports from the reviews undertaken during the year by internal audit and assessment of the assurances given;
 - Consideration of any significant recommendations not accepted by management and the consequent risks, of which there were none;
 - Assessment of the status of recommendations identified as not implemented, as part of internal audit follow-up reviews and subsequent progress tracking;
 - Consideration of the effects of any significant changes in the City's objectives or systems;
 - Review and consideration of matters arising from reports to the Audit and Risk Management Committee;
 - Consideration as to whether there were any limitations which may have been placed on the scope of internal audit.

Annual Opinion

4. Sufficient quantity and coverage of internal audit work has been undertaken to allow a reasonable conclusion to be drawn as to the adequacy and effectiveness of risk management, control and governance processes.
5. The City has adequate and effective systems of internal control in place to manage the achievement of its objectives. In giving this opinion, it should be noted that assurance can never be absolute and, therefore, only reasonable assurance can be provided that there are no major weaknesses in these processes or that no fraud exists within the systems and processes subject to audit review.
6. Notwithstanding the overall opinion, internal audit's work identified a number of opportunities for improving controls and procedures which management has accepted and are documented in each individual audit report. Three "Red Assurance" reviews have been produced which have been accepted by management and controls improvements are being implemented.

Direction of Travel

7. Set out below is a comparison of the percentage of internal audit reports receiving Red, Amber and Green Opinions over the last 3 financial years. Members will note that from a relatively static position in 2013-14 and 2014-15 the balance of assurances has moved to more Amber and fewer Green Assurances. This is largely the result of doing fewer larger audits more focussed on the key risks and also stems from management seeking internal audit input in areas where they have concerns. This has identified more control issues for correction and therefore more Amber reports. It should be noted however that Amber assurance opinions are still a positive outcome with control frameworks fit for purpose and therefore the overall opinion remains unchanged.

Financial Year	% of Green Assurance Reports	% of Amber Assurance Reports	% of Red Assurance Reports
2013/14	72	25	3
2014/15	71	25	4
2015/16	31	62	7

Key Achievements

8. The Committee have been particularly interested in cyber security risks and requested further information on the work of the Corporation in combatting these risks. Internal Audit reviewed the City Corporation's and the City of London Police's response to cyber security risks. Two reports were provided to the Committee which covered the Corporation's information security policy, benchmarking, internal and external assurance.

9. Internal Audit has delivered their Service Based Review savings of £220k whilst maintaining a sufficient level of coverage of the audit universe to provide an annual opinion. Fewer, but more in depth, internal reviews have led to an increased number of areas receiving overall amber assurance opinions, as the team have been able to spend time understanding the root causes of problems experienced by teams and weaknesses identified.
10. The team is working more closely with the Council's Risk Manager and Counter Fraud Manager to ensure fraud intelligence and key risk issues feed into the planning of individual internal audit reviews. The plan now focuses more on key business plan objectives and risk.

Review of Performance

11. An annual performance and effectiveness review of the internal audit function is required by the Public Sector Internal Audit Standards. Key outcomes were:
 - a. The internal audit function achieved delivery of 94% of the plan by 31st March 2016.
 - b. Performance levels of implementing recommendations have been maintained and no high priority audit recommendations were outstanding at the time of the last follow up exercise;
 - c. The target of members of the team holding a relevant qualification continues to be met; and
 - d. Satisfaction survey results remain positive.

Conclusion

12. Internal Audit work continues to identify improvement areas for management; albeit, the overall opinion provided on the City's internal control environment is that it remains adequate and effective. There is a high level of acceptance of recommendations, and all high priority recommendations followed up have been implemented within agreed timescales.

Appendices

- Appendix 1 – List of completed internal audit reviews in 2015-16

Chris Harris
Chamberlain's

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Responsible Department	Title of Review	Status	Assurance Opinion	High Agreed	Med Agreed	Low Agreed
Corporate	Business Continuity & Disaster Recovery	FINAL	Amber	0	2	4
Corporate	Health & Safety	FINAL	Amber	0	2	2
Corporate	Petty Cash	FINAL	Amber	0	6	0
Corporate	Cash Income Collection and Banking	FINAL	Amber	0	5	0
Corporate	Expenses	FINAL	Amber	0	4	2
Corporate	Liquidations	FINAL	Amber	0	3	0
Chamberlain	Main Accounting System - GL / AR / AP	FINAL	Green	0	0	1
Chamberlain	Investments - Corporate Responsibility	FINAL	Amber	0	2	1
Chamberlain	Council Tax	FINAL	Green	0	0	0
Chamberlain	Business Rates	FINAL	Green	0	0	1
Information Systems	Remote Access	FINAL	Amber	0	1	2
Information Systems	Database Patching & Change Control Procedures	FINAL	Amber	0	3	1
Information Systems	Back Up Strategy and Procedures	FINAL	Amber	0	1	3
Information Systems	Firewalls	FINAL	Amber	0	2	2
Information Systems	WAN (MLPS)	FINAL	Green	0	0	2
Information Systems	GJR Server Rooms	FINAL	Amber	0	6	5
Open Spaces	Hampstead Heath	FINAL	Amber	0	11	0
Open Spaces	Cemeteries & Crematoriums	FINAL	Green	0	1	4
Markets and Consumer Protection	Licensing	FINAL	Amber	0	3	5
Police	Police Supplies & Services and 3rd Party Payments	FINAL	Red	1	2	3
CLSG	ICT Strategy	FINAL	Amber	0	8	7
Guildhall School	Procurement of Goods and Services	FINAL	Amber	0	2	1
Guildhall School	Principal Study	FINAL	Amber	0	2	2
Barbican	Barbican - International Enterprise	FINAL	Amber	0	1	6

Barbican	Barbican - Bars (Contract Management and New Arrangements)	FINAL	Amber	0	2	3
Barbican	Membership Scheme	FINAL	Green			
Barbican	Budget Setting and Financial Management	FINAL	Green	0	1	2
Barbican	Cost Estimates and Cost Plan	FINAL	Green	0	1	1
Barbican	Systems Controls	FINAL	Green	0	1	0
Police	Interpreters Fees	FINAL	Green	0	1	1
Community & Children Services	Sir John Cass Schools Financial Value Sign Off	FINAL	Amber	0	2	3
Culture Libraries and Heritage	Monument Cash Collection	FINAL	Green	0	0	3
Police	Interim Follow Up of Disaster Recovery and PBX Resilience	FINAL	Red	1	1	0
Police	Invoices on Hold	FINAL	Red	3	1	0
Police	Gifts and Hospitality	FINAL	Amber	0	3	1
Markets and Consumer Protection	Penalty Charge Notices	FINAL	Amber	0	3	3
Total		36		5	83	71

Committee	Dated:
Audit and Risk Management Committee	14 June 2016
Subject: Annual Governance Statement 2015/16	Public
Report of: The Town Clerk and the Chamberlain	For Decision
Report author: Neil Davies, Head of Corporate Performance and Development	

Summary

This report presents the annual summary and update of the City Corporation's governance and internal control framework in the format agreed by this Committee in March 2016. Appendix 1 sets out the City Corporation's Annual Governance Statement (AGS) as required by the Accounts and Audit (England) Regulations 2015. Appendix 2 contains a schedule of assurances in support of the statement.

The AGS is prepared in accordance with proper practice guidance – “*Delivering Good Governance in Local Government*” – issued jointly by the Society of Local Authority Chief Executives and Senior Managers and the Chartered Institute of Public Finance and Accountancy

Recommendation(s)

Members are asked to:

- approve the AGS set out in Appendix 1 for signing by the Chairman of the Policy and Resources Committee and the Town Clerk and Chief Executive;
- note that the AGS will be published alongside the 2015/16 City Fund and Pension Funds Statement of Accounts;
- note the future developments in paragraph 70 of the AGS to improve the governance framework; and
- delegate authority to the Town Clerk and Chief Executive, in consultation with the Chairman and Deputy Chairman of this Committee, to amend the AGS for any significant events or developments relating to the governance arrangements that occur prior to the date on which the Statement of Accounts is signed by the Chamberlain.

Main Report

Background

1. This report presents the annual update of the City Corporation's governance and internal control framework. The Accounts and Audit (England) Regulations 2015, which apply to the City of London's City Fund activities, require an audited body to conduct a review, each financial year, of the effectiveness of its system of internal control and publish an Annual Governance Statement (AGS) each year, alongside the authority's Statement of Accounts. The AGS is set out in Appendix 1 with all additions, deletions and other changes since last year shown as 'tracked changes'.
2. The Chartered Institute of Public Finance and Accountancy (CIPFA), in association with the Society of Local Authority Chief Executives and Senior Managers (SOLACE), publishes a *Delivering Good Governance in Local Government: Framework* and an accompanying guidance note, which represents the proper practice guidance in relation to internal control. The City's AGS has been prepared in accordance with this guidance.
3. In 2010, CIPFA issued its *Statement on the Role of the Chief Financial Officer in Local Government*. The governance requirements in this document are that the Chief Financial Officer should be professionally qualified, report directly to the Chief Executive and be a member of the leadership team, with a status at least equivalent to other members. The Statement requires that, if different arrangements are adopted, the reasons should be explained in the organisation's AGS, together with how these deliver the same impact. The role of the Chamberlain conforms to the requirements of the Statement on the Role of the Chief Financial Officer.

Approval

4. The AGS must be signed by the most senior officer (Chief Executive or equivalent) and the most senior member (Leader or equivalent). Following a resolution of this Committee in March 2012, the Policy and Resources Committee approved a report on the process for producing the AGS, and approved the practice whereby the AGS is approved by this Committee and signed by the Chairman of the Policy and Resources Committee.
5. There is a requirement that any significant events or developments relating to the governance arrangements that occur between the Balance Sheet date (31st March 2016) and the date on which the Statement of Accounts is signed by the Chamberlain are reported within the AGS. Delegated authority is, therefore, sought for the Town Clerk, in consultation with the Chairman and Deputy Chairman of this Committee, to amend the AGS if necessary.

Ownership

6. As a corporate document, the AGS should be owned by all senior officers and members of the authority. The draft AGS was considered and approved at the Chief Officers Summit Group of Chief Officers on the 16 May.
7. The signatories need to ensure that the AGS accurately reflects the governance framework for which they are responsible. To achieve this, reliance may be placed on many sources of assurance, such as:
 - Chief Officers and Senior Managers;
 - the Chief Financial Officer responsible for the accounting control systems and records and the preparation of the statement of accounts;
 - the Monitoring Officer in meeting his/her statutory responsibilities;
 - members (e.g. through audit or scrutiny committees);
 - the Head of Internal Audit;
 - performance and risk management; and
 - external audit and other review agencies.
8. The Audit and Risk Management Committee has a key role within the 'review of effectiveness' of the City's governance framework, including the system of internal control. One of its prime responsibilities is to review the work of the internal auditors, consider the risk management framework, and consider comments made by the external auditors and other review agencies and inspectorates

External Audit

9. The AGS is required to be published with an authority's Statement of Accounts, but is not part of the accounts. This is an important distinction, as the statement is not then covered directly by the Chief Financial Officer's certification. The external auditors review whether the AGS reflects compliance with "*Delivering Good Governance in Local Government*" and report if the AGS does not comply with proper practices or if it is misleading or inconsistent with other information the auditor is aware of from the audit of the Statement of Accounts.

Delivering Good Governance in Local Government

10. Following a full review and consultation during 2015, CIPFA and Solace have recently issued a new governance framework. This states that:

"The Framework defines the principles that should underpin the governance of each local government organisation. It provides a structure to help individual authorities with their approach to governance. Whatever form of arrangements are in place, authorities should therefore test their governance structures and partnerships against the principles contained in the Framework by:

- *reviewing existing governance arrangements;*
- *developing and maintaining an up-to-date local code of governance, including arrangements for ensuring ongoing effectiveness, and*
- *reporting publicly on compliance with their own code on an annual basis and on how they have monitored the effectiveness of their governance arrangements in the year and on planned changes."*

11. This Framework applies to annual governance statements prepared for the financial year 2016/17 onwards.

Appendices

- Appendix 1 – Draft Annual Governance Statement 2015/16 – all changes tracked
- Appendix 2 - Schedule of reporting to Members

Background Papers

- Report to Audit and Risk Management Committee, 8 March 2016: *Annual Governance Statement - Methodology*
- CIPFA/SOLACE publications:
 - Delivering good governance in Local Government: Framework (reissued 2012)
 - Delivering good governance in Local Government: Framework – Addendum (December 2012)
 - Delivering good governance in Local Government:– Guidance Note for English Authorities (2012 Edition)

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ANNUAL GOVERNANCE STATEMENT 2015/16

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Scope of Responsibility

1. The City of London Corporation is a diverse organisation with three main aims: to support and promote the City as the world leader in international finance and business services; to provide modern, efficient and high quality local services, including policing, within the Square Mile for workers, residents and visitors; and to provide valued services, such as education, employment, culture and leisure to London and the nation. Its unique franchise arrangements support the achievement of these aims.
2. Although this statement has been prepared to reflect the City of London Corporation in its capacity as a local authority and police authority, the governance arrangements are applied equally to its other funds – City's Cash and Bridge House Estates.
3. The City of London Corporation ("the City") is responsible for ensuring that its business is conducted in accordance with the law and proper standards; that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively; and that arrangements are made to secure continuous improvement in the way its functions are operated.
4. In discharging this overall responsibility, the City is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.
5. The City has approved and adopted a code of corporate governance which is consistent with the principles of the CIPFA/SOLACE ¹Framework *Delivering Good Governance in Local Government*. A copy of the code is on the City's website at www.cityoflondon.gov.uk. This statement explains how the City has complied with the code and also meets the requirements of regulation 6(1) of the Accounts and Audit (England) Regulations 2015 which requires all relevant bodies to prepare an annual governance statement.

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The Purpose of the Governance Framework

6. The governance framework comprises the systems and processes by which the City is directed and controlled and its activities through which it accounts to, engages with and leads its communities. It enables the City to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.
7. The system of internal control is a significant part of that framework and is designed to manage all risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable rather than absolute assurance of effectiveness. The City's system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the City's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.
8. The governance framework has been in place at the City for the year ended 31 March 2016 and up to the date of approval of the statement of accounts.

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Key Elements of the Governance Framework

Code of Corporate Governance

9. The principles of good governance are embedded within a comprehensive published Code of Corporate Governance. This code covers both the local authority and police authority roles, and links together a framework of policies and procedures, including:

¹ CIPFA is the Chartered Institute of Public Finance and Accountancy
SOLACE is the Society of Local Authority Chief Executives

- Standing Orders, which govern the conduct of the City's affairs, particularly the operation of Committees and the relationship between Members and officers;
 - Financial Regulations, which lay down rules that aim to ensure the proper management and safeguarding of the City's financial and other resources;
 - Terms of reference for each Committee;
 - A Scheme of Delegations, which defines the responsibility for decision-making and the exercise of authority;
 - A Members' Code of Conduct, which defines standards of personal behaviour; a Standards Committee whose role is to promote high standards of member behaviour and to deal with complaints made against members, and register of interests, gifts and hospitality;
 - A Code of Conduct for employees;
 - A corporate complaints procedure, operated through the Town Clerk's Department, with a separate procedure in Community and Children's Services, to comply with the relevant regulations;
 - A corporate Project Toolkit and other detailed guidance for officers, including procedures and manuals for business critical systems;
 - An anti-fraud and corruption strategy, including: anti-bribery arrangements; a social housing tenancy fraud, anti-fraud and prosecution policy; and a whistleblowing policy;
 - A Risk Management Strategy;
 - Job and person specifications for senior elected Members and the Court of Aldermen; and
 - A protocol for Member/officer relations.
10. The City's main decision making body is the Court of Common Council, which brings together all of the City's elected members. Members sit on a variety of committees which manage the organisation's different functions, and report to the Court of Common Council on progress and issues as appropriate. The Town Clerk and Chief Executive is the City's statutory head of paid service, and chairs the Chief Officers' Group, and the Summit Group, which is the primary officer decision-making body. In 2015/16 a new officer governance framework was introduced, comprising three Chief Officer Steering Groups and two Chief Officer Delivery Groups, reporting to the Summit Group. The Comptroller and City Solicitor discharges the role of monitoring officer under the Local Government and Housing Act 1989.
11. The Court of Common Council is defined as the police authority for the City of London Police area in accordance with the provisions of the City of London Police Act 1839 and the Police Act 1996.
12. The role of police authority is to ensure that the City of London Police runs an effective and efficient service by holding the Commissioner to account; to ensure value for money in the way the police is run; and set policing priorities taking into account the views of the community. These, and other key duties, are specifically delegated to the Police Committee. The Police Committee has two Sub Committees and a Board to provide enhanced oversight in specific areas of police work:
- The Professional Standards and Integrity Sub Committee has responsibility for providing detailed oversight over professional standards and integrity within the Force, and examines the casework of every single complaint recorded by the Force;
 - The Performance and Resource Management Sub Committee monitors performance against the Policing Plan and oversees management of risk, human and financial resources; and
 - The Economic Crime Board considers matters relating to the Force's national responsibilities for economic crime and fraud investigation.

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Deleted: The legislation that introduced Police and Crime Commissioners and Police and Crime Panels during 2012 does not apply to the City of London; the Court of Common Council, therefore, continues to be defined as the police authority for the City of London Police area.

13. Under the Localism Act 2011, the City is under a duty to promote and maintain high standards of conduct by Members and co-opted Members. In particular, the Court of Common Council must adopt and publicise a code dealing with the conduct that is expected of Members when they are acting in that capacity, and have in place a mechanism for the making and investigation of complaints. The Court approved the current Code of Conduct in October 2014, following a review by the Standards Committee.
14. The City has appropriate arrangements in place under which written allegations of a breach of the Member Code of Conduct can be investigated and decisions on those allegations taken. The Standards Committee has approved a Complaints Procedure. A Dispositions Sub Committee exists for the purposes of considering requests from Members for a dispensation to speak or vote on certain matters (where they have a disclosable pecuniary interest and are otherwise prevented from participation) being considered at Committee meetings. Elected and co-opted Members are invited to review and update their Member Declarations on an annual basis (although there is no statutory requirement to do so).
15. Under section 28 of the Localism Act, the City is required to appoint at least one Independent Person to support the new standards arrangements. In June 2012, the Court of Common Council gave support to three appointments to the position of Independent Person, and also agreed a revised constitution and terms of reference for the Standards Committee, to be adopted under section 28 of the Act.
16. The Localism Act also requires the City to prepare and publish a Pay Policy Statement each year, setting out its approach to pay for the most senior and junior members of staff. The Pay Policy Statement for 2015/16 was agreed by the Court of Common Council in March 2015 and published on the City's website.
17. To assist in meeting the City's obligations under the Bribery Act 2010, officers with decision-making powers in relation to higher risk activities are required to make an annual declaration to confirm that they have met the requirements relating to potential conflicts of interest, as set out in the Employee Code of Conduct, and to confirm that they have not engaged in any conduct which might give rise to an offence under the Act.
18. As a result of the Protection of Freedoms Act 2011-12, revisions were agreed to the City's policy and procedures in respect of the Regulation of Investigatory Powers Act 2000 (RIPA), which regulates surveillance carried out by public authorities in the conduct of their business. A report is made quarterly to the Policy and Resources Committee on the City's use of RIPA powers.

Standards Committee

19. The Standards Committee oversees the conduct of Members in all areas of the City of London Corporation's activities be it local authority, police authority or non-local authority functions. Its main responsibility is to promote and maintain high standards of conduct by elected Members and Members co-opted on to City of London Committees.
20. Its functions include:
- monitoring and regularly reviewing the operation of the Code of Conduct for Members and related procedures;
 - considering any alleged breaches of the Code;
 - monitoring Members' declarations to ensure compliance with both the statutory and local registration requirements;
 - regularly reviewing the complaints procedure and dispensations arrangements, and
 - submitting an annual report to the Court of Common Council.
21. During 2015/16, the Standards Committee endorsed a proposal for the adoption and implementation of a consistent approach to the management and publication of declarations of interest by the City Corporation's elected Members, each of its Co-opted members, and the Independent Persons on the Standards Committee. Amongst the other matters considered by the Committee were a revised complaints procedure and form (relating to alleged breaches of

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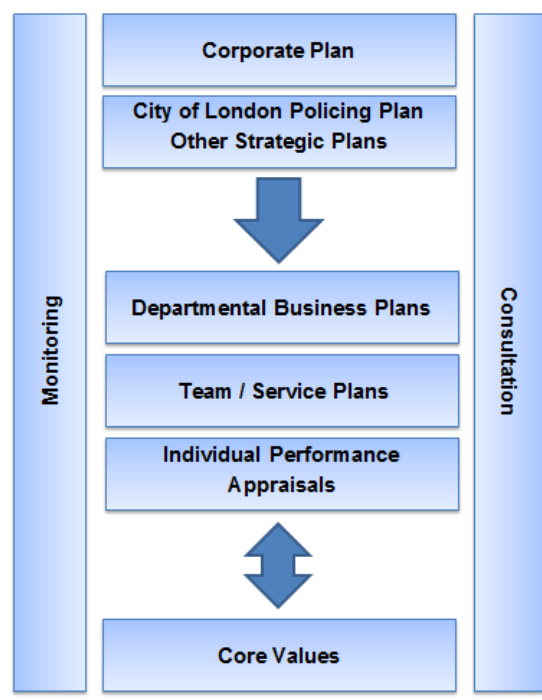
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the Members' Code of Conduct); revised guidance to Members regarding the Code of Conduct, and an annual review of the Protocol on Member/Officer Relations, including a review of the Employee Code of Conduct.

Business Strategy and Planning Process



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22. The City has a clear hierarchy of plans, setting out its ambitions and priorities:

- The Corporate Plan shows how the City Corporation will fulfil its role as a provider of services both inside and outside of the City boundaries. The Corporate Plan includes a statement of the City's Vision, Strategic Aims, Key Policy Priorities, Core Values and Behaviours.
- The City of London Policing Plan details the policing priorities and shows how these will be delivered over the coming year. It also contains all the measures and targets against which the Police Committee hold the City of London Police to account.
- The Communications Strategy sets out the City's plan of action over the short to medium-term for communicating its activities and managing its reputation.
- The Cultural Strategy presents a coherent view of the City's important cultural and heritage-related contributions to the life of London and the nation.
- Other corporate plans and strategies are mentioned elsewhere in this document.

Deleted: <#>The sustainable community strategy for the City of London (The City Together Strategy: The Heart of a World Class City) is a shared focus for the future, helping to co-ordinate partners' activities towards meeting the needs and aspirations of the City's diverse communities. This was informed by extensive consultation with a wide range of stakeholders and specific interest groups. ¶

23. Plans and strategies are informed by a range of consultation arrangements, such as City-wide residents' meetings, representative user groups and surveys of stakeholders. The City has a unique franchise, giving businesses (our key constituency) a direct say in the running of the City, and a range of engagement activities, including through the Lord Mayor, Chairman of Policy and Resources Committee and the Economic Development Office. An annual consultation meeting is held for business rates and council tax payers.

24. The Health and Social Care Act 2012 transferred responsibility for health improvement of local populations to local authorities in England, with effect from 1st April 2013. The new duties included the establishment of a Health and Wellbeing Board, which provides collective leadership to improve health and wellbeing for the local area.

Information Management Strategy

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25. The Information Management Strategy (approved October 2009) sets out the headline approach to information management in the City. It summarises the current position, gives a vision of where we want to be and proposes a set of actions to start us on the path to that vision. The Strategy defines our approach to the other key elements for information management, in particular data security and data sharing.

26. Overall responsibility for Information Management Governance is vested in the Information Systems (IS) Sub Committee. The Information Management Governance Steering Group reports to the Strategic Resources Group and the IT Steering Group, both chaired by the Chamberlain. Both groups report to the Summit Group and the IS Sub Committee. The Chamberlain is now the Senior Information Risk Owner (SIRO) and work continues to identify Information Asset Owners (IAO) within departments and build an information asset register.

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Financial Management Arrangements

27. The Chamberlain of London is the officer with statutory responsibility for the proper administration of the City's financial affairs. In 2010 CIPFA issued a "*Statement on the Role of the Chief Financial Officer in Local Government*" which codifies the key responsibilities of this role and sets out how the requirements of legislation and professional standards should be met. The City's financial management arrangements conform to the governance requirements of the Statement. The Chamberlain also fulfils the role of Treasurer of the Police Authority.
28. The system of internal control is based on a framework of regular management information, financial regulations, administrative procedures (including segregation of duties), management supervision, a system of delegation and accountability, and independent scrutiny. In particular the system includes:
- a rolling in depth survey of the City's forecast position over a five year period;
 - comprehensive budget setting processes;
 - monthly, quarterly and annual financial reports which indicate performance against budgets and forecasts;
 - access by all departmental and central finance staff to systems providing a suite of enquiries and reports to facilitate effective financial management on an ongoing basis;
 - ongoing contact and communication between central finance officers and departmental finance officers;
 - clearly defined capital expenditure guidelines;
 - formal project management disciplines;
 - the provision of high quality advice across the organisation;
 - an internal audit service combining in-house staff with external knowledge and expertise;
 - insuring against specific risks;
 - scrutiny by Members, OFSTED, CQC, HMIC, other inspectorates, External Audit and other stakeholders, and
 - requests for Members and Chief Officers to disclose related party transactions including instances where their close family have completed transactions with the City of London Corporation.
29. The City has a long-standing and in-built culture of maximising returns from its resources and seeking value for money. It assesses the scope for improvements in efficiency /value for

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money at a corporate and service level by a variety of means, including improvement priorities set by the Policy and Resources Committee through the annual resource allocation process, and internal examination and review by the Efficiency and Performance Sub Committee.

30. For non-Police services, the local government settlement in autumn 2015 was challenging but fell within the prudent assumptions included with the City's financial forecast. Agreed actions from a service based review will deliver efficiencies, savings and opportunities for additional income totalling some £11m a year by 2018/19. Subject to there being no significant adverse changes in financial planning assumptions across the period, forecasts indicate a small surplus in each of the next financial years moving close to breakeven by 2019/20. However, the economic outlook and public finances have deteriorated since the announcement of the local government settlement and there is no guarantee that government funding will be not be revised further downwards in future years. The position is being monitored on an ongoing basis.
31. The Efficiency and Performance Sub Committee has responsibility for monitoring and oversight of the delivery of the Service Based Review savings and increased income, and the cross-cutting efficiency reviews, and continues to challenge the achievement of value for money, helping to embed further a value for money culture within the City's business and planning processes.
32. City of London Police manages its budget on a ring-fenced basis. The Court of Common Council has agreed to increase the Business Rates Premium from April 2016 (the first increase for ten years) with the additional income, estimated at £1.6m a year, being allocated to the Police to cover emerging cost pressures relating to security. Nevertheless, the underlying financial position remains challenging with deficits forecast across the period and reserves exhausted during 2017/18. This is despite implementing a challenging savings plan and previous budget reductions resulting in a 14% decrease in the number of police officers and £16m removed from the budget.
33. The Force has a robust financial strategy in place to balance the budget over the period to 2018/19, which includes provision for a minimum general reserve balance for unforeseen or exceptional operational requirements. The Force and the City Corporation are also investigating areas for greater collaboration, including the development of a Joint Contact and Control Room as part of the One Safe City programme.
34. The Police Performance and Resource Management Sub Committee's responsibilities include overseeing the Force's resource management in order to maximise the efficient and effective use of resources to deliver its strategic priorities; monitoring government and other external agencies' policies and actions relating to police performance; overseeing the Force's risk management arrangements, and ensuring that the Force delivers value for money.
35. The Policy and Resources Committee determines the level of the City's own resources to be made available to finance capital projects on the basis of a recommendation from the Resource Allocation Sub Committee. Ordinarily, such projects are financed from capital rather than revenue resources, and major projects from provisions set aside in financial forecasts.
36. The City has a number of procedures in place to ensure that its policies and the principles that underpin them are implemented economically, efficiently and effectively. This framework includes:
 - Financial Strategy. This provides a common base for guiding the City's approach to managing financial resources and includes the pursuit of budget policies that seek to achieve a sustainable level of revenue spending and create headroom for capital investment and policy initiatives;
 - Budget policy. The key policy is to balance current expenditure and current income over the medium term. Both blanket pressure and targeted reviews are applied to encourage Chief Officers to continuously seek improved efficiency;

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Deleted: <#>In addition, cross-departmental reviews are being undertaken to identify further potential savings/increased incomes. The activities subject to review include:¶ <#>Grant giving, the effectiveness of hospitality; operational assets; contract management; asset management; and¶ <#>Income generation from car parking in the City; conference and business events; and the marketing of visitor attractions.¶

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- Annual resource allocation process. This is the framework within which the City makes judgements on adjustments to resource levels and ensures that these are properly implemented;
 - ~~Corporate **Property** Asset Management **Strategy**. This aims to ensure that the **City's operational assets are managed effectively, efficiently and sustainably, in support of the organisation's strategic priorities and business needs**;~~
 - Capital project evaluation, management and monitoring. The City has a comprehensive system of controls covering the entire life cycle of capital and major revenue projects; and
 - Treasury Management and Investment Strategies. Setting out the arrangements for the management of the City's investments, cash flows, banking and money market transactions; the effective control of risks associated with those activities; and the pursuit of optimum performance consistent with those risks.
37. Consideration is given to efficiency during the development and approval stages of all major projects, with expected efficiency gains quantified within reports to Members.
38. The performance of the City's financial and property investments are monitored **and benchmarked** regularly, both in-house and independently, through **experts in the field**.
39. The City's project management and procurement arrangements provide a consistent approach to project management and co-ordination of the portfolio of projects across the organisation. The Projects Sub Committee meets monthly to ensure that projects align with corporate objectives and strategy, and provide value for money.

Deleted: <#>Capital Strategy. This ensures that the City's capital resources are deployed to realise its corporate aims and priorities;¶

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Risk Management

40. In May 2014, the Audit and Risk Management Committee approved a new Risk Management Strategy which set out a new policy statement and a revised framework, which aligns with the key principles of ISO 31000: Risk Management Principles and Guidelines, and BS 31100: Risk Management Code of Practice, and defines clearly the roles and responsibilities of officers, senior management and Members. The Strategy emphasises risk management as a key element within the City's systems of corporate governance and establishes a clear system for the evaluation of risk and escalation of emerging issues to the appropriate scrutiny level. The Strategy assists in ensuring that risk management continues to be integrated by Chief Officers within their business and service planning and aligned to departmental objectives.
41. The Risk Management Group, consisting of senior managers representing all departments, including the City of London Police, meets twice annually. The group is a considerable driver in promoting the application of consistent, systematic risk management practices across the organisation. Strategic decisions on risk management are made by the **Chief Officers Summit Group on a quarterly basis**. **Oversight of corporate risk is provided by the Chief Officers' Group** and the Audit and Risk Management Committee. These arrangements have **been** strengthened with the establishment of a Chief Officer Risk Management Group. This meets quarterly to review, in depth, the corporate risk register and report their findings to the Summit Group when they consider the quarterly risk update report. In addition to receiving quarterly risk update reports, the Audit and Risk Management Committee has adopted a cycle of regular departmental risk challenge sessions, with Chief Officers and their respective Committee Chairmen, which take place prior to their meetings. The Committee has also introduced the regular reporting of top departmental risks to every Service Committee.
42. The corporate risk register contains **eleven risks, including two new risks which have been added during the last year**.

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Health & Safety

43. The Health & Safety at Work Act 1974 (the Act) requires the City as an employer to ensure that it implements systems for the protection of its staff and visitors. The City's systems are aligned to HSG65, the Health and Safety Executive's guidance document on the essential philosophy of good health and safety. The City's systems will remain aligned with this

guidance, to ensure that safety becomes part of normal business by applying a practical, sensible and common sense approach.

44. A critical component of the City's management system is monitoring and review. The management system and policy were modified slightly in response to the introduction of the new officer governance framework in January 2016.
45. The compliance audits that were introduced last year have continued, and have proven useful in allowing the Health & Safety Team to drive local and corporate improvements in compliance. They have also assisted the Health & Safety Committee to monitor safety performance through the use of Key Performance Indicators.
46. An independent external audit of the Safety Management System was undertaken by the British Safety Council in November. The City Corporation was awarded a four star (out of five) rating which equates to a ranking of 'very good'. The audit evidenced that very good safety mechanisms and structures were in place corporately, and that these were being applied in the departments sampled. The auditors were particularly complimentary about the leadership being shown at the top of the organisation.
47. Top X (the City's Health & Safety risk management system) continues to be an effective safety risk management tool. Work was started in early 2015 to align this process to the City's broader risk management process. Risk assessments used for Health & Safety were successfully modified to the corporate risk matrix. This alignment has now been completed and Top X reports are being reported through the corporate risk management system. Some departments are yet to fully move onto this system, but the expectation is for this to be fully implemented by November 2016. Top X continues to support health and safety compliance and protect the organisation against any potential Corporate Manslaughter Act 2007 offences. Top X provides the Summit Group and Chief Officers' Group with a corporate strategic oversight of any safety risks by way of a regular report.

Business Continuity

48. The Civil Contingencies Act 2004 requires the City, as a Category 1 responder, to maintain plans to ensure that it can continue to exercise its functions in the event of an emergency. The City is required to train its staff responsible for business continuity, to exercise and test its plans, and to review these plans on a regular basis.
49. The City has an overarching Business Continuity Strategy and Framework and each department has their own business continuity arrangements. Both corporate and departmental arrangements are regularly reviewed to ensure they align with the relevant risk registers and business objectives. Officers from the different departments share best practice and validate their arrangements through the Emergency Planning and Business Continuity Steering Group, which sits on a quarterly basis. New arrangements that seek to increase the resilience of the City's technology infrastructure have been introduced and technical tests are being carried out to ensure their robustness. These arrangements seek to replace the Guildhall as a single point of failure for the City's IT provision. The move to a more resilient backbone should enhance the continuity of service for remote workers, and at other sites, even if the Guildhall is affected.
50. Programme management of the City's business continuity management system (BCMS) lies with the Resilience Planning Team, and all departments play a role in it. In 2014, the City's resilience arrangements (including its BCMS) were reviewed by peers from other Central London local authorities. This review was part of a regular assurance process linked to the Minimum Standards for London (which set out London's core resilience capabilities). The Team continues its on-going work with the IT service provider Agilisys to ensure robust business continuity plans dovetail between IT functions and critical services.
51. The City continues to experience an array of protest and demonstration, as it is a desirable location for protest groups to maximise publicity both nationally and globally. However, by working with business and emergency service partners to ensure robust Business Continuity and emergency response plans are in place, the City maintains 'business as usual', and thus its reputation of working with and supporting local communities.

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Deleted: <#>During 2014/15, a server fire provided real-time challenges for business continuity and departments' ability to understand and recognise their critical functions. Working with Agilisys, the City's IT technology partner, support and guidance was provided for departments to understand the Business Impact Analysis process, and then complete a full review of their Business Continuity plans.¶

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Role of Internal Audit

52. Internal Audit plays a central role in providing the required assurance on internal controls through its comprehensive risk-based audit programme, with key risk areas being reviewed annually. This is reinforced by consultation with Chief Officers and departmental heads on perceived risk and by a rigorous follow-up audit and spot checks regime.
53. The internal audit process is supported, monitored and managed by the Audit and Risk Management Committee in accordance with the Public Sector Internal Audit Standards. An Audit Charter established in 2013 was updated and agreed by the Audit and Risk Management Committee in November 2014. This defines the role of internal audit, and codifies accountability, reporting lines and relationships that internal audit has with the Audit and Risk Management Committee, Town Clerk and Chief Executive, Chamberlain and Chief Officers.
54. The Internal Audit Section operates under the requirements of the Public Sector Internal Audit Standards (PSIAS). The City of London's internal audit function was peer reviewed by the Head of Governance from the London Borough of Croydon in February 2014, and assessed as "generally conforms" to the new standard. Following a number of minor changes that were made in response to observations made in the peer review, the Internal Audit Section fully conforms to the new Standards.
55. The anti-fraud and investigation function continues to be effective in identifying fraud and corruption, particularly across the City's social housing estates, whilst conducting a wide range of risk based anti-fraud and awareness activities. The Audit and Risk Management Committee is provided with six-monthly anti-fraud and investigation up-date reports which detail the anti-fraud and investigation activity undertaken by the Anti-Fraud Team and provides progress against the strategic pro-active anti-fraud plan.
56. The Audit and Risk Management Committee received an update on the mandatory fraud awareness e-learning course for all City of London employees in April 2015, with overall staff completion reported as exceeding 95%. The fraud awareness e-learning package was refreshed and up-dated by the Anti-Fraud Team in November 2015.

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Performance Management

57. The corporate business planning framework sets out the planning cycle with clear linkages between the different levels of policy, strategy, target setting, planning and action (the "Golden Thread").
- All departments are required to produce annual departmental business plans for approval by the relevant service committee(s). These are all clearly linked to the overall Corporate Plan and show key objectives aligned with financial and staffing resources.
 - All departmental business plans are reviewed for compliance with the corporate business planning framework, and Quality Assurance meetings are held with the Corporate Performance and Development Team.
 - All departments are required to report regularly to their service committees with progress against their business plan objectives and with financial monitoring information.
 - Regular performance monitoring meetings are held by the Deputy Town Clerk with selected Chief Officers.
 - Performance and Development Appraisals are carried out for all staff, using a standard set of core behaviours. The appraisals are used to set individual objectives and targets and to identify learning and development needs that are linked to business needs. Pay progression is linked to performance assessments under the appraisal process.
58. Performance is communicated to Council Tax and Business Rate payers through the City-wide residents' meetings, the annual business ratepayers' consultation meeting and regular electronic and written publications, including an annual overview of performance, which contains a summary of the accounts.

59. The Business Planning framework has been updated to ensure consistency, transparency and best practice, including guidance on the inclusion of an annual assurance statement on data quality within year-end performance reports.

Audit and Risk Management Committee

60. The Audit and Risk Management Committee is an enhanced source of scrutiny and assurance over the City's governance arrangements. It considers and approves internal and external audit plans, receives reports from the Head of Audit and Risk Management, external audit and other relevant external inspectorates, including HMIC, as to the extent that the City can rely on its system of internal control. The Committee reviews the financial statements of the City prior to recommending approval by the Finance Committee and considers the formal reports, letters and recommendations of the City's external auditors. The Committee also monitors and oversees the City's Risk Management Strategy. The Committee undertakes a systematic programme of detailed reviews of each of the risks on the City's Strategic Risk Register.

61. During 2015/16, the Committee continued its schedule of departmental risk challenge sessions. The Committee reviews the risks and risk management process for each department, on a rota basis, with one or two departments being invited to each meeting. These reviews are attended by the relevant Chairman and Chief Officer, with support and challenge applied so that risks are fully understood, and clear mitigation plans are in place. The Committee has also actively promoted a process for the regular reporting of top departmental risks to Service Committees, to encourage all Members to engage with the management of risk.

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62. The Committee has strongly supported the internal audit function by setting clear performance expectations for Chief Officers in the timely implementation of audit recommendations, as well as ensuring internal audit's independence is fully recognized. It has reviewed the outcome of the Service Based Review of the internal audit function, and is overseeing the adoption of a more efficient approach to the targeting of internal audit resources.

63. The Committee has supported the management of the Information Security corporate risk, highlighting the mandatory awareness training for all staff, resulting in a significant increase in the percentage of staff fully completing this training.

64. The Committee has taken a keen interest in cyber-security risks, having received a report in April 2015 and periodic updates. The Committee remains committed to supporting the continuous development of cyber security across the City of London Corporation.

Deleted: also supported the Anti-Fraud and Corruption Strategy, and considered the CIPFA code of practice: *Managing the Risk of Fraud and Corruption* in February 2015. Having considered all the principles of the CIPFA code of practice: *managing the risk of fraud and corruption*, the Committee are satisfied that the organisation has adopted a response that is appropriate for its fraud and corruption risks and commits to maintain its vigilance to tackle fraud.

Review of Effectiveness

65. The City has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the internal auditors and managers within the authority who have responsibility for the development and maintenance of the governance environment and also by comments made by the external auditors and other review agencies and inspectorates.

66. Processes that have applied in maintaining and reviewing the effectiveness of the governance framework include scrutiny primarily by the Policy and Resources, Finance, Police, Audit and Risk Management, Investment, and Standards Committees; and the Resource Allocation, Police Performance and Resource Management and Efficiency and Performance Sub Committees.

67. This review of the main elements of the City's governance framework has not identified any significant issues for reporting to senior management.

Deleted: <#>A survey of the Committee's effectiveness was conducted during 2014/15, identifying issues to be addressed in the areas of: reviewing the work of external audit; reviewing and influencing the work of internal audit; and assessing risk management and fraud/whistle-blowing arrangements across the organisation.¶

Head of Internal Audit's Opinion

68. The Public Sector Internal Audit Standards require the Head of Internal Audit to deliver an annual internal audit opinion and report that can be used by the City of London Corporation to inform its Annual Governance Statement. The Head of Internal Audit is satisfied that sufficient quantity and coverage of internal audit work and other independent assurance work has been

undertaken to allow him to draw a reasonable conclusion as to the adequacy and effectiveness of the City's risk management, control and governance processes. In his opinion, the City has adequate and effective systems of internal control in place to manage the achievement of its objectives. In giving this opinion he has noted that assurance can never be absolute and, therefore, only reasonable assurance can be provided that there are no major weaknesses in these processes.

69. Notwithstanding his overall opinion, internal audit's work identified a number of opportunities for improving controls and procedures, which management has accepted and are documented in each individual audit report. Three areas of emphasis were highlighted in the internal audit opinion relating to the follow up review of the City of London Police ICT resilience and disaster recovery arrangements, the City of London Police review of invoices on hold, and the City of London Police review of supplies and services. The weaknesses identified in these areas are being addressed by management.

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Future Developments

70. The governance framework is constantly evolving due to service and regulatory developments and assessments. Improvement plans have been compiled in response to the reports and assessments summarised above. Controls to manage principal risks are constantly monitored, in particular for services with statutory responsibilities for the safety of vulnerable people. The City proposes over the coming year to take the following steps to maintain, develop and strengthen the existing governance framework:

- Reviewing the Complaints Procedure (in respect of complaints against Members) and the Dispensations arrangements.
- Undertaking an annual update for the registration and publication of Declarations of Interest by the City's Members and Co-opted Members.
- Delivering the benefits from the programme of cross-cutting efficiency and effectiveness reviews.
- Completing a review of information security and management, leading to: the identification of Information Asset Owners; the production of an information asset register; the development of an Information Management Policy, and the implementation of an appropriate Data Classification Scheme.
- Reviewing the corporate Business Planning and Performance Management processes and framework.
- Developing an Efficiency Plan in response to the Government's offer of a four-year funding settlement to 2019-20.
- Reviewing the implications of the Government's proposals on devolution to London, including the devolution of business rates.
- Reviewing the Internal Audit Charter.

Deleted: <#>Reviewing the arrangements for the registration and publication of Declarations of Interest by the City's co-opted Members with a view to introducing a consistent approach to registration by both elected and co-opted Members that serve on the City Corporation's decision-making bodies.¶
<#>Revising best practice guidance for Chief Officers on quarterly performance reporting to service Committees¶
<#>Progressing the delivery of a programme of cross-cutting and departmental review projects to balance the revenue budget over the medium term to offset the impact of continuing reductions in Government funding¶
<#>Securing business benefits via improved efficiency and reduced cost of operations from the upgrade to the financial management system¶
<#>Improving the oversight of corporate risks by the establishment of a Chief Officer Risk Management Group¶
<#>Embedding the use of the new business risk management software to assist in the consistent reporting and management of risk across the Corporation¶
<#>Bringing the Health and Safety TopX process into line with the City's risk management process, ¶
Increasing transparency of the alignment of the internal audit plan to corporate risks

This annual governance statement was approved by the City's Audit and Risk Management Committee on 14 June 2016.

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Date: ▼

John Barradell
Town Clerk and Chief Executive

Mark Boleat
Chairman, Policy and Resources
Committee
Date: ▼

Deleted: 30th September 2015

ANNUAL GOVERNANCE STATEMENT 2015/16

SUPPORTING SCHEDULE

Key Element	Item	Reporting to Members
Code of Corporate Governance	Committee terms of reference (para 9)	Terms of reference are reviewed by each Committee annually. A composite report of all Committee terms of reference is submitted annually to the Court of Common Council.
	Scheme of Delegations (para 9)	Changes to the Scheme of Delegation in respect of Lead Local Flood Authority functions were approved by the Court of Common Council on 25 th June 2015.
	Standing Orders (para 9)	The Court of Common Council agreed the following amendments to Standing Orders (SO): <ul style="list-style-type: none"> • 23rd April 2015: to SO 13(3) regarding questions asked at the Court of Common Council; • 25th June 2015: to SO 63 regarding the process by which disciplinary action can be taken in respect of the Town Clerk, the City Corporation's Monitoring Officer, or the Chamberlain, and • 14th January 2016: to SO 10.4 regarding the implementation of an Alternative Vote system for Court of Common Council elections to single vacancies.
	Localism Act: Standards regime (paras 13-15)	The Annual report of the Standards Committee was presented to the Court of Common Council on 25 th June 2015.
	Localism Act: Pay Policy Statement (para 16)	The draft Pay Policy Statement for 2015/16 was agreed by the Court of Common Council on 5 th March 2015.
	Bribery Act (para 17)	Procedures for staff declaration were approved by the Audit and Risk Management Committee on 12 th December 2012.
	Regulation of Investigatory Powers (RIPA) (para 18)	A report on the September 2015 inspection by the Office of the Surveillance Commissioner was presented to the Policy and Resources Committee on 21 st January 2016.
Standards Committee	Declarations of Interest (para 21)	The Committee endorsed a proposal in respect of the adoption and implementation of a consistent approach to the management and publication of declarations of interest by the City Corporation's elected Members, and

		each of its Co-opted Members and Independent Persons on 15 th May 2015.
	Complaints Procedure (para 21)	The Committee approved revisions to the current complaints process and form on 2 nd October 2015, and noted existing arrangements in respect of responding to and managing alleged breaches of the Members' Code of Conduct.
	Code of Conduct guidance (para 21)	The Committee approved revised guidance to Members regarding the Code of Conduct on 2 nd October 2015.
	Protocol on Member/Officer Relations (para 21)	The Committee received the annual review of the Protocol on Member/Officer Relations, including a review of the Employee Code of Conduct on 2 nd October 2015.
Business Strategy and Planning Process	Corporate Plan (para 22)	The Corporate Plan for 2015-19 was approved by the Policy and Resources Committee on 26 th March 2015.
	Policing Plan (para 22)	The Policing Plan for 2015-18 was agreed by the Police Committee on 26 th February 2015.
	Communications Strategy (para 22)	The Communications Strategy for 2015-18 was agreed by the Policy and Resources Committee on 26 th March 2015.
	Cultural Strategy (para 22)	The Cultural Strategy for 2012-17 was agreed by the Court of Common Council on 25 th October 2012.
	Annual City-wide residents' meeting (para 21)	The annual City-wide residents' meeting was held on 6 th July 2015.
	Health and Social Care (para 24)	The Court of Common Council agreed the establishment of a new Health & Social Care Scrutiny Committee on 3 rd March 2016.
Financial Management Arrangements	HMIC Inspections (para 28)	An update on HMIC inspections for 201/16 is scheduled for presentation to the Audit and Risk Management Committee in September 2016.
	Efficiency and Performance sub-Committee (para 31)	<p>During 2015/16, the sub-Committee met on six occasions, considering reports on, inter alia:</p> <ul style="list-style-type: none"> • City Procurement Service savings • CIPFA Value for Money indicators 2014/15 • Benchmarking of Financial Services • London-wide service performance measures • Service Based Review Roadmap and Financial Monitoring • Departmental SBR monitoring • Cross-cutting SBR projects • Review of Energy Targets 2014/15

		<ul style="list-style-type: none"> Combined Heat and Power (Annual Report 2014/15 and extension of contracts)
	City of London Police Risk Management (para 34)	The Police Performance and Resource Management Sub Committee received an update report on the City of London Police Risk Register on 30 th June 2015.
	Financial Strategy and Budget Policy (para 36)	The revised Medium Term Financial Strategy was agreed by the Court of Common Council on 5 th March 2015.
Risk Management	Risk Management Strategy (para 40)	An updated Risk Management Strategy was approved by the Audit and Risk Management Committee on 13 th May 2014.
	Updates to Audit and Risk Management Committee (para 41)	<p>The Audit and Risk Management Committee receives regular updates on risk management.</p> <p>During 2015/16, the following risks were reviewed in depth:</p> <ul style="list-style-type: none"> Hampstead Heath Ponds Project Cyber Fraud Road Safety (CR20) Information Security (CR16)
Role of Internal Audit	General updates to Audit and Risk Management Committee (para 53)	Internal audit update reports were presented to the Audit and Risk Management Committee on 28 th April 2015, 17 th September 2015 and 26 th January 2016.
	Audit Charter (para 53)	Updates to the Audit Charter were agreed by the Audit and Risk Management Committee on 4 th November 2014.
	Reports re fraud investigation function (para 55)	Anti-Fraud and Investigation updates were presented to the Audit and Risk Management Committee on 28 th April 2015, 17 th September 2015 and 8 th March 2016.
	<i>Managing the Risk of Fraud and Corruption</i>	A report on the CIPFA Code of Practice was considered by the Audit and Risk Management Committee on 24 th February 2015.
Performance Management	Departmental reporting (para 57)	<p>Departmental Business Plans are normally approved by the relevant service committee(s) between February and April each year.</p> <p>Chief Officers produce regular monitoring reports for their service committee(s), combining information on service and financial performance.</p>
	Annual Summary of Performance and Accounts (para 58)	<p>The annual City Fund Overview for 2013/14 is available on the City of London website.</p> <p>The City Fund Overview for 2015/16 will be produced later in 2016.</p>

Appendix 2

	Annual business ratepayers' meeting (para 58)	The annual business ratepayers' meeting was held on 25 th February 2015 and 3 rd February 2016.
Head of Internal Audit's Opinion	(paras 67-68)	The annual opinion from the Head of Audit and Risk Management for the year 2015/16 was reported to the Audit and Risk Management Committee on 14 th June 2016.

Committee(s)	Dated:
Audit and Risk Management Committee	14/06/2016
Subject: Billingsgate Market Investigation Outcome	Public
Report of: Chamberlain	For Information
Report author: Chris Keesing, Anti-Fraud Manager	

Summary

This report provides Members with an update on a recent fraud prosecution involving the former Administration and Operations Manager at Billingsgate Market, Roshan Persad.

Following a detailed investigation by the City of London Police and the City of London Corporation, it was identified that a sophisticated and premeditated fraud at Billingsgate Market had been committed by Roshan Persad, resulting in a loss to the City of London Corporation of £108,000.

A criminal trial at the Central Criminal Court in February 2016 concluded that Roshan Persad was guilty of six counts of theft, seven counts of False Accounting and one count of Fraud by Abuse of Position of Trust, in relation to this fraud and he was subsequently given a two year and eight month custodial sentence.

A Proceeds of Crime investigation has been initiated by the City of London Police, with a timetable set for confiscation and compensation proceedings. It is expected that the City of London Corporation should recover monies stolen through this fraud from assets identified through the proceeds of crime investigation.

Following a review by Internal Audit following the identification of this fraud, a number of recommendations were made and have been implemented to improve the City's controls surrounding income collection activities across the City of London Corporation.

Recommendation(s)

- Members are asked to note the report

Main Report

Background

1. This report provides Members with an update on a recent fraud prosecution involving the former Administration and Operations Manager at Billingsgate Market, Roshan Persad.
2. Members will be aware that a sophisticated and premeditated fraud was identified at Billingsgate Market and following a criminal investigation by the City of London Police and City of London Corporation a trial at the Central Criminal Court took place between 15 February 2016 and 29 February 2016.

Investigation

3. Following a report to Internal Audit in April 2013, advising that £94,000 of cash income from Billingsgate Market tenants rent and service charges had not been received to the City's bank, an investigation commenced. It was found that a loss in transit report was submitted to the City's cash collection provider by the Market's Administration Office as it was initially considered that the collection may have gone missing in transit; this was quickly found not to be the case.
4. During detailed forensic investigation by Internal Audit of the Billingsgate Market accounting systems and records, it was identified that a number of credit notes had been issued to tenants accounts that could not be accounted for. Enquiries with market traders also identified that they had made cash payments to the Markets and Administration Office that could not be accounted for within the City's records.
5. It was identified through our forensic investigation that payments received from tenants had been stolen and later used to cover balances outstanding for other tenants over a period of approximately 18 months, through a process of teeming and lading, whilst an attempt to cover up some of the stolen money had been attempted through the raising of credit notes to traders accounts.
6. Teeming and lading can be described as a type of fraud that involves the crediting of one account through the abstraction of money from another account. It can happen when one customer's payment is stolen and another customer's payment is posted to hide the theft. Credit notes are often raised, as they were in this case, in order to attempt to conceal the fact that any debt exists.
7. Investigations found that the total value of monies stolen amounted to £108,000 over the duration of this fraud.

8. As the investigation proceeded, it became apparent that the person responsible for this fraud was the former Administration and Operations Manager at Billingsgate Market, Roshan Persad, who was subsequently interviewed under caution with the allegations put to him; throughout the investigation he denied any responsibility for the fraud.

Prosecution

9. Roshan Persad was subsequently charged with six counts of theft, seven counts of False Accounting and one count of Fraud by Abuse of Position of Trust. Following a not guilty plea, a trial was held at the Central Criminal Court, which ran between 15 February 2016 and 29 February 2016. At the conclusion of the trial, Roshan Persad was found guilty on all counts.
10. At sentencing on 29 April 2016, Recorder Karim Khalil QC sentenced Roshan Persad to a custodial sentence of two years and eight months, after hearing evidence from his Barrister that since his conviction he had accepted his responsibility for the fraud, which he blamed on a serious gambling addiction, for which he was undergoing treatment.
11. A Proceeds of Crime investigation, led by the City of London Police is underway, with a timetable in place for confiscation and compensation hearings. It was understood from Roshan Persad at court during sentencing that he is selling the family home and will be repaying the monies defrauded from the City of London Corporation from the proceeds of the sale.
12. The sentencing featured in a short factual report in the London Evening Standard on 3 May 2016, a copy of which is included as Appendix 1 to this report.

Cash Handling Control Environment

13. Following the identification of this fraud, Internal Audit undertook a review of income collection activities, organisation wide. It is Internal Audit's view that there are no systematic weaknesses in generic cash controls across the City. However, income collection, and particularly cash collection, has an inherent risk of fraud and theft and, therefore, any income collection system, where cash is involved, can never provide absolute protection against fraud and loss, particularly where individuals set out to mislead intentionally. Ultimately, there are limitations on the extent of risk mitigation measures that are possible where significant amounts of cash income are handled through local cash collection arrangements. Reducing significantly the extent of cash payments made at City of London sites presents the most effective means of managing this risk. At the City's markets, no cash payment of more than £100 is now permitted.
14. A number of recommendations were made following the review of income collection activities that have since been implemented, in order to improve the control framework surrounding the handling of income; these recommendations are detailed below;

- I. Cessation of cash acceptance for rent or service charge payments.
- II. A policy requirement for all City of London employees to take at least one full weeks leave annually.
- III. Separation of duties in cash handling activities across all functions.
- IV. Clear and detailed record keeping of receipts of cash collections made by the City's cash collection contractor.
- V. Mandatory finance training for all administrative staff carrying out finance related functions, organisation wide.
- VI. Mandatory Fraud Awareness E-learning training course for completion by all City of London Corporation employees.
- VII. Updates to the Finance Manual.

15. These recommendations were agreed with management and reported to the Committee on 11 December 2013. Subsequent audit follow-up work has confirmed that agreed recommendations have been implemented with a further report made to this Committee on 4 November 2014.

Conclusion

16. This was a sophisticated and premeditated fraud, committed by the former Administration and Operations Manager at Billingsgate Market, Roshan Persad. Detailed financial investigation discovered that £108,000 was stolen throughout duration of this fraud.

17. A proceeds of crime investigation has identified that Roshan Persad has capital assets that cover the value of the monies stolen through this fraud, A timetable has been set for compensation and confiscation hearings in relation to the proceeds of crime investigation and it is expected that the City of London Corporation should be able to recover the money stolen by Roshan Persad.

18. Following a crown court trial at the Central Criminal court in February 2016, Roshan Persad was found guilty on all counts and sentenced to a custodial term of two years and eight months.

19. A number of recommendations have been implemented in order to improve controls surrounding income collection activities since the discovery of this fraud.

Appendices

Appendix 1: London Evening Standard Report

Contact:

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Anti-Fraud Manager

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Billingsgate Fish Market manager jailed for 32 months for £95,000 theft

- [Tristan Kirk](#)
- Tuesday 3 May 2016



Desperate: Roshan Persad tried to blame the losses on the G4S security firm Central News

The manager of London's historic Billingsgate Fish Market who stole nearly £95,000 from traders' rent to feed his gambling addiction has been jailed for two years and eight months.

Roshan Persad, 48, stole the money from the market's landlord over an 18-month period.

He tried to shuffle funds around the market's accounts to hide the missing sums, logging thousands of pounds of credit notes from traders to make it seem as though they were in arrears. Persad even suggested G4S guards had lost the cash while transporting it to the bank.

Persad, from Hornchurch in Essex, denied the charges but a jury at the Old Bailey found him guilty of six counts of theft, seven of false accounting and one of fraud by abuse of position.

Recorder Karim Khalil QC, sentencing, said: "You used the money to fund your gambling habit, which was far worse than you were prepared to admit.

"As the losses mounted, you were left with few options: pay back the money from other sources, confess to your employers and seek support, or cover up the losses and hope no one would identify you as the thief — you chose the latter course."

Appendix 1: London Evening Standard Report

Persad, who was employed by the City of London Corporation, started dipping into the accounts in March 2011. Prosecutor Louis French told the trial Persad was responsible for taking in about £700,000 in rent from stall holders.

By March 2013 a large shortfall was spotted by a Corporation of London accountant.

The court heard Persad, who used to be a police officer in his native Trinidad and has recently been employed as a hospital maintenance worker, has put his family home up for sale in a bid to pay back the stolen money.