



## Audit and Risk Management Committee

**Date:** TUESDAY, 19 NOVEMBER 2019  
**Time:** 2.00 pm  
**Venue:** COMMITTEE ROOMS, 2ND FLOOR, WEST WING, GUILDHALL

**Members:** Alderman Ian Luder (Chairman)  
Alexander Barr (Deputy Chairman)  
Hilary Daniels (Deputy Chairman - External)  
Randall Anderson  
Alderman Nick Anstee  
Chris Boden  
Deputy Jamie Ingham Clark (Ex-Officio Member)  
Anne Fairweather  
Marianne Fredericks (Ex-Officio Member)  
Alderman John Garbutt  
Kenneth Ludlam (External Member)  
Paul Martinelli  
Caroline Mawhood (External Member)  
Jeremy Mayhew (Ex-Officio Member)  
Andrien Meyers  
John Petrie

**Enquiries:** Chloe Rew  
tel. no.: 020 7332 1427  
[chloe.rew@cityoflondon.gov.uk](mailto:chloe.rew@cityoflondon.gov.uk)

**N.B. Part of this meeting may be subject to audio-visual recording.**

**Lunch will be served in the Guildhall Club at 1:15pm.**

**John Barradell  
Town Clerk & Chief Executive**

# AGENDA

## Part 1 - Public Agenda

1. **APOLOGIES**
2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**
3. **MINUTES OF THE PREVIOUS MEETING**  
To agree the public minutes and non-public summary of the previous meeting held on 24 September 2019.

**For Decision**  
(Pages 1 - 6)

4. **OUTSTANDING ACTIONS OF THE COMMITTEE**  
Members are asked to note the Committee's Outstanding Actions List.

**For Information**  
(Pages 7 - 8)

5. **COMMITTEE WORK PROGRAMME**  
Members are asked to note the Committee's Work Programme.

**For Information**  
(Pages 9 - 10)

### Financial Statements and External Audit

6. **CITY'S CASH FINANCIAL STATEMENTS 2018/19**  
Report of the Chamberlain.

**For Decision**  
(Pages 11 - 18)

7. **CITY'S CASH TRUST FUNDS AND SUNDRY TRUST FUNDS ANNUAL REPORTS AND FINANCIAL STATEMENTS 2018/19**  
Report of the Chamberlain.

**For Decision**  
(Pages 19 - 24)

8. **CITY'S CASH ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019.**

Appendix 2 for the report of the Chamberlain at agenda item 6.

\* Document can be found in the accompanying appendix pack.

**9. BDO CITY'S CASH AND THE SUNDRY TRUST AUDIT FOR THE YEAR ENDING 31 MARCH 2019**

Appendix 3 for the reports of the Chamberlain at agenda items 6 and 7.

\* Document can be found in the accompanying appendix pack.

**10. END OF YEAR TREASURY MANAGEMENT REVIEW 2018/19**

Report of the Chamberlain.

**For Information**

(Pages 25 - 30)

**Internal Audit and Corporate Anti-Fraud**

**11. INTERNAL AUDIT UPDATE REPORT**

Report of the Head of Audit and Risk Management.

**For Information**

(Pages 31 - 56)

**12. ANTI-FRAUD & INVESTIGATIONS - 2019/20 UPDATE REPORT**

Report of the Head of Audit and Risk Management.

**For Information**

(Pages 57 - 64)

**Risk Management**

**13. REVIEW OF RISK MANAGEMENT STRATEGY**

Report of the Chamberlain.

**For Discussion**

(Pages 65 - 98)

**14. RISK MANAGEMENT UPDATE**

Report of the Chamberlain.

**For Decision**

(Pages 99 - 144)

**15. DEEP DIVE RISK REVIEWS**

**For Information**

a) **Deep Dive: CR01 Resilience** (Pages 145 - 152)

Report of the Town Clerk & Chief Executive.

b) **Deep Dive - CR09: Health and Safety** (Pages 153 - 164)

Report of the Director of Human Resources.

- 16. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
- 17. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
- 18. **EXCLUSION OF THE PUBLIC**

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

<b>Item</b>	<b>Paragraph</b>
19	3
20	1, 2, 3
21	3
24	1, 2, 3

**For Decision**

**Part 2 - Non-Public Agenda**

- 19. **NON-PUBLIC MINUTES OF THE PREVIOUS MEETING**  
To agree the non-public minutes of the previous meeting held on 24 September 2019.  

**For Decision**  
(Pages 165 - 166)
- 20. **APPOINTMENT OF EXTERNAL MEMBER TO THE AUDIT AND RISK MANAGEMENT COMMITTEE**  
Report of the Town Clerk & Chief Executive.  

**For Decision**  
(Pages 167 - 170)
- 21. **RISK MANAGEMENT UPDATE: NON-PUBLIC APPENDIX 3**  
To be read in conjunction with the report of the Chamberlain at agenda item 14.  

**For Information**  
(Pages 171 - 172)
- 22. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
- 23. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

**Part 3 - Confidential Agenda - Circulated Separately**

**24. CONFIDENTIAL MINUTES OF THE PREVIOUS MEETING**

To agree the confidential minutes of the previous meeting held on 24 September 2019.

**For Decision**

**25. CONFIDENTIAL QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

**26. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED DURING CONFIDENTIAL SESSION**

This page is intentionally left blank

## AUDIT AND RISK MANAGEMENT COMMITTEE

Tuesday, 24 September 2019

**Minutes of the meeting of the Audit and Risk Management Committee held at the Guildhall EC2 at 2.00 pm**

### **Present**

#### **Members:**

Alderman Ian Luder (Chairman)	Alderman John Garbutt
Alexander Barr (Deputy Chairman)	Kenneth Ludlam (External Member)
Hilary Daniels (Deputy Chairman)	Paul Martinelli
Randall Anderson	Caroline Mawhood (External Member)
Deputy Jamie Ingham Clark (Ex-Officio Member)	Jeremy Mayhew (Ex-Officio Member)
Marianne Fredericks (Ex-Officio Member)	Andrien Meyers

#### **Officers:**

Chloe Rew	- Town Clerk's Department
Peter Kane	- Chamberlain
Caroline Al-Beyerty	- Chamberlain's Department
Karen Atkinson	- Chamberlain's Department
Paul Dudley	- Chamberlain's Department
Sean Green	- Chamberlain's Department
Philip Gregory	- Chamberlain's Department
Matthew Lock	- Chamberlain's Department
Ian Dyson	- Commissioner of the City of London Police
Gary Brailsford-Hart	- City of London Police
Alan Bennetts	- Comptroller and City Solicitor's Department

#### **Also in attendance:**

Fiona Condron	- External Auditor, BDO
James Hay	- External Auditor, BDO
Leigh Lloyd-Thomas	- External Auditor, BDO
Michael Hudson	- Finance Committee
Wendy Hyde	- Finance Committee

### **1. APOLOGIES**

The Chairman welcomed the Chamberlain and thanked the Deputy Chamberlain and Deputy Director of Financial Services for their work in acting up in the Chamberlain's absence.

Apologies were received from Alderman Nicholas Anstee, Anne Fairweather and John Petrie.

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**

RESOLVED – that, the public minutes and non-public summary of the previous meeting held 16 July 2019 be agreed as a correct record.

4. **DRAFT MINUTES OF THE NOMINATIONS SUB-COMMITTEE**

RESOLVED, that – the draft minutes of the Nominations Sub-Committee of the Audit and Risk Management Committee meeting held 7 May 2019 be received and its contents noted.

Members received an update on the recruitment for an external member vacancy for 2020.

5. **OUTSTANDING ACTIONS OF THE COMMITTEE**

RESOLVED, that – the outstanding actions of the Committee be received and their contents noted.

The Commissioner of the City of London Police (CoLP) provided an oral update on the arrears in Freedom of Information Act (FOIA) requests. Since the last update, the backlog of cases was resolved and new cases were received. In April 2019, a new record keeping system for FOIA requests was implemented. 121 cases were awaiting closure. It was reported that FOIA requests were an ongoing risk area for CoLP, particularly due to the difficulty in recruiting and retaining trained staff to manage requests.

6. **COMMITTEE WORK PROGRAMME**

Members received the Committee workplan. It was noted that additional items would be added to the workplan and an updated version would be circulated to Members following the meeting,

RESOLVED, that – the Committee workplan be received and its contents noted.

7. **2018/19 ANNUAL REPORT OF THE AUDIT AND RISK MANAGEMENT COMMITTEE**

Members considered a report of the Town Clerk relative to the annual report of the Audit and Risk Management Committee presented by the Chairman of the Committee. This was the first instance that a report of this nature had been prepared for the Committee.

RESOLVED, that Members:

1. note the appendix – 2018/19 Annual Report of the Audit and Risk Management Committee presented by the Chairman of the Committee.
2. agree the next Annual Report of the Audit and Risk Management Committee cover 1 August 2019 to 31 March 2020, with subsequent reports coinciding with the financial year.



8. **2018-19 CITY FUND AND PENSION FUND FINANCIAL STATEMENTS - AUDIT COMPLETION REPORT**

Members received a report of the Chamberlain relative to the audit completion reports for the 2018/19 City Fund and Pension Fund Financial Statements.

RESOLVED, that – the report be received and its contents noted.

9. **BRIDGE HOUSE ESTATES ANNUAL REPORT AND FINANCIAL STATEMENTS 2018/19**

Members considered a report of the Chamberlain relative to the Bridge House Estates Annual Report and Financial Statements for the year ended 31 March 2019 for approval. The report was accompanied by the BDO audit report.

RESOLVED, that the Audit and Risk Management Committee –

1. consider the contents of the audit management report issued by BDO at annex 2;
2. recommend approval of the BHE Annual Report and Financial Statements for the year ended 31 March 2019 to the Finance Committee; and,
3. delegate authority to the Chamberlain, in consultation with the Chairman and Deputy Chairman of the Audit and Risk Management Committee, for approval of any material change to the financial statements required before the signing of the audit opinion by BDO.

10. **INTERNAL AUDIT RECOMMENDATIONS FOLLOW-UP**

Members received a report of the Head of Audit and Risk Management relative to the Internal Audit Recommendations Follow-Up. The report provided Members with a status update on the implementation of high priority Internal Audit Recommendations. It was noted that when a recommendation is not implemented, this is often due to the action not being operationally viable in the given timeframe, or the action is dependent on other departments and there are delays in implementation.

RESOVLED, that – the report be received an its contents noted.

11. **ANNUAL SUMMARY OF HMICFRS INSPECTIONS AND REPORTS**

Members received a report of the Commissioner of the City of London Police relative to the annual summary of Her Majesty's Inspectorate of Constabulary, Fire and Rescue Services (HMICFRS) programme of inspections, published reports and responses.

RESOLVED, that – the report be received and its contents noted.

12. **DEEP DIVE - CR16: INFORMATION SECURITY**

Members received a report of the Chamberlain relative to a Deep Dive of CR16: Information Security Risk. The report was further discussed in non-public session along with the non-public appendix at Agenda Item 17.

RESOLVED, that – the report be received and its contents noted.

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

A question was raised in respect of governance arrangements with the Audit and Risk Management Committee of the Board of Governors of the Guildhall School of Music and Drama, the central issue being that the Chairman should be an independent Member, and there was question amongst the Board as to whether Common Councillors can be considered independent. The Chairman requested that a joint report of the Comptroller and the Chamberlain be presented to the Committee in November 2019 so the matter could be formally discussed.

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

There was no other business.

15. **EXCLUSION OF THE PUBLIC**

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

16. **NON-PUBLIC MINUTES OF THE PREVIOUS MEETING**

RESOLVED, that – the non-public minutes of the previous meeting held 16 July 2019 be agreed as a correct record.

17. **APPENDIX TO DEEP DIVE CR16**

Members received the non-public appendix to the Deep Dive of CR16: Information Security at Agenda Item 12.

RESOLVED, that – the non-public appendix be received and its contents noted.

18. **INTERNAL AUDIT REVIEW - CITY OF LONDON FREEMEN'S SCHOOL ENABLING WORKS PROJECT**

Members received a report of the Head of Audit and Risk Management relative to an internal audit review of the City of London Freeman's School Enabling Works Project.

RESOLVED, that – the report be received and its contents noted.

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

There was one question.

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

There was no other business.

21. **CONFIDENTIAL MINUTES OF THE PREVIOUS MEETING**

RESOLVED, that – the confidential minutes of the previous meeting held 16 July 2019 be agreed as a correct record.

**22. EXTERNAL AUDIT ARRANGEMENTS**

Members considered a confidential report of the Chamberlain relative to external audit arrangements.

**The Committee agreed to extend the meeting 10 additional minutes.**

**23. CONFIDENTIAL QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

There were no questions.

**24. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED DURING THE CONFIDENTIAL SESSION**

There was no other business.

**The meeting closed at 4.07 pm**

-----  
Chairman

**Contact Officer: Chloe Rew  
tel. no.: 020 7332 1427  
chloe.rew@cityoflondon.gov.uk**

This page is intentionally left blank

AUDIT AND RISK MANAGEMENT COMMITTEE - Outstanding Actions - NOVEMBER 2019 update

Items from meeting held 24 September 2019			
Date Added	ITEM	Action	Officer and target date
24.09.2019	<b>13. QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE</b>	Report to be provided relating to a governance matter for the Board of Governors of GSMD.	<i>Officer: Comptrollers &amp; Chamberlain</i>  <i>Date: 19 November 2019</i>

Items from meeting held 12 March 2019			
Date Added	ITEM	Action	Officer and target date
14.03.2019	<b>ANY OTHER BUSINESS</b>	Police Commissioner to provide update of Freedom of Information request areas to be presented to a future Committee meeting.	<i>City of London Police Commissioner</i>  <i>Date: TBC</i>

Items from meeting held 6 November 2019			
Date Added	ITEM	Action	Officer and target date
06.12.2018	<b>9. NEW CORPORATE RISK – BREXIT</b>	Each Department to carry out risk assessment of the impact of Brexit.	<i>All departments/Chamberlain</i>  <i>Ongoing</i>

This page is intentionally left blank

**Audit & Risk Management Committee - Work Programme: November 2019 – July 2020**

19 November 2019	28 January 2020	31 March 2020	2 June 2020	14 July 2020
<b>Financial Statements and External Auditors</b>				
City's Cash Accounts  Treasury Management Strategy, End-Of-Year Review 2018/19	2019/20 External Audit Plan	Treasury Management Statement	Draft City Fund and Pension Fund Accounts	City Fund and Pension Fund Accounts  Bridge House Estate Accounts
<b>Risk Management (Regular update reports, Deep Dive Risk Reviews and Independent Risk Challenge</b>				
<u>Deep Dive:</u>  1. CR09 – Health and Safety  2. CR01 – Resilience  <u>Risk Challenge:</u> Open Spaces	<u>Deep Dive:</u>  1. CR21 – Air Quality  2. CR23 – Police Funding  <u>Risk Challenge:</u> City Surveyors	<u>Deep Dive:</u>  1. CR27 – Organisational Change  2.  <u>Risk Challenge</u>	<u>Deep Dive:</u>  <u>Risk Challenge:</u>	<u>Deep Dive:</u>  <u>Risk Challenge:</u>
Review of Risk Management Strategy  Risk Management Update	Risk Update report		Risk Update Report	

<b>Internal Audit/Corporate Anti-fraud</b>				
Internal Audit Update Anti-Fraud Update	2020/21 Draft Internal Audit Plan  Internal Audit Recommendations Update	Internal Audit Update  Internal Audit Charter Review	Head of Audit Annual Audit Opinion  Internal Audit Recommendations Follow-Up  Anti-Fraud annual report	Internal Audit Update
<b>Governance</b>				
Appointment of External Member – Recommendation to Committee		Annual Governance Statement Methodology (Town Clerk)  GDPR Audit (Comptroller & City Solicitor)	Annual Governance Statement (Town Clerk)  Annual Report of the Committee	
<b>External Inspections/OFSTED Reports etc</b>				
		OFSTED Focus Visit on Care Leavers (Community & Children’s Services)		



<b>Committee(s):</b> Finance Committee – For decision Audit and Risk Management Committee – For decision	<b>Date(s):</b> 12 November 2019 19 November 2019
<b>Subject:</b> City’s Cash Financial Statements 2018/19	<b>Public</b>
<b>Report of:</b> The Chamberlain	<b>For Decision</b>
<b>Report author:</b> Steven Reynolds, Group Accountant	

## Summary

The Annual Report and Financial Statements for City’s Cash for the year ended 31 March 2019 are attached at Annex 2 for approval.

The external auditor, BDO LLP is intending to issue an unqualified audit opinion and their report, including recommendations, is attached at Annex 3.

The key points in the financial statements are:

- a net surplus of £59.7m which includes gains in fair value on property investments of £50.1m and non-property investments of £53.5m (*these figures can be seen in the Consolidated Statement of Comprehensive Income on page 17*);
- total net assets of £2,669.8m, an increase of £58.3m (2.2%) since last year. The net asset position is after deducting the total pensions liability of £312.7m (*the £58.3m is shown in the Consolidated Statement of Changes in Equity on page 19*);
- Barking Power Limited and Thames Power Services Limited were purchased on 14 December 2018 for a total consideration of £130.5m (*para 6 of this report*);
- A £125m loan facility was acquired during the year (*para 7*);
- A premium of £18.5m was received in 2018/19 (*para 8*).
- there are two financial commitments relating to City’s Cash that are disclosed in the notes to the financial statements:
  1. the potential contribution of £50m from City’s Cash towards the Crossrail Project (*page 9*); and
  2. £7.5m relating to a works contract for the refurbishment of an investment property (*para 10*).

## Recommendations

The Audit and Risk Management Committee is requested to:

- consider the contents of the Audit Management Report issued by BDO LLP; and
- recommend approval of the City’s Cash Financial Statements for the year ended 31 March 2019 to the Finance Committee.

The Finance Committee is requested to:

- consider the contents of the Audit Management Report issued by BDO LLP;
- delegate approval of the City's Cash Financial Statements for the year ended 31 March 2019 to the Chairman and Deputy Chairman, taking account of any observations from the Audit and Risk Management Committee on 19 November; and
- agree that the Financial Statements are signed by the Chairman and Deputy Chairman of the Finance Committee on behalf of the Court of Common Council.

## **Main Report**

### **Current Position**

1. The 2018/19 Annual Report and Financial Statements for City's Cash are attached at Annex 2 for approval. A complete draft of the 2018/19 Annual Report and Financial Statements was presented to the external auditor, BDO LLP on the 22nd of August 2019 and the audit commenced thereafter.
2. BDO LLP intends to give an unqualified opinion on the City's Cash Financial Statements and has issued the draft Audit Management Report set out in Annex 3. We are pleased to report that no material accounting changes were required to the financial statements of either City's Cash or its consolidated subsidiaries. Whilst not material, there were two adjusted items which are listed on page 27 and the report notes on page 22 some immaterial unadjusted items relating to the consolidated trusts. Ordinarily, even though immaterial, these would be adjusted in their individual financial statements and those of City's Cash but were not due to the late timing of these being identified.
3. The report from BDO LLP notes on page 30 that no significant or other deficiencies in internal control have been identified
4. The Audit Management Report will be distributed to all Members of the Court of Common Council for information. Representatives from BDO LLP will be in attendance at the Audit and Risk Management Committee to present their report and to clarify any points or issues.
5. The Audit Review Panel of the Chamberlain's and Bridgemasters' Accounts met on 21 October 2019 to review the processes adopted by BDO LLP and the Panel intends to certify that those processes were in accordance with the prescribed auditing standards.

**New significant items in City's Cash Financial Statements for 2018/19 (pages 17 to 19)**

**Business purchases: Barking Power Limited and Thames Power Services Limited**

6. On 14 December 2018, City's Cash acquired 100% of the share capital of Barking Power Limited and Thames Power Services Limited for a total consideration of £130.5m (*disclosure notes 9 and 21 on pages 35 and 46 refer*). Goodwill arising from the acquisition has been calculated as £24.5m and is attributable to the level of competition for the site.

**Loans**

7. A £125m loan facility was acquired during the year as part of an overall borrowing strategy designed to support a sustainable and affordable capital programme (*disclosure note 16 on page 39 refers*). The loan was initially obtained as a bridging facility and accordingly was repaid in full on 16 September 2019 and replaced with £250m longer term market debt in line with the original borrowing strategy.

**Premium received for a long lease**

8. Premiums of £66.4m relating to seven operating leases were received between 2014/15 and 2017/18. In 2018/19 one further premium of £18.5m was received in respect of a lease granted by the City on investment property land. As land generally has an indefinite life (i.e. the risks and rewards of ownership are shared with the City as lessor) these leases have been classified as operating leases and, in accordance with FRS102, the premiums have been treated as deferred income to be released to revenue over their lease terms, which range from 150-200 years (*disclosure note 14 on page 38 refers*).

**Other significant items in City's Cash disclosure notes (pages 20 to 50)**

**Financial Commitments (page 46)**

9. Contribution to Crossrail - the potential contribution of £50m from City's Cash towards the Crossrail Project has been disclosed as a financial commitment in both the annual report and the notes to the financial statements. The reason for this treatment, rather than the inclusion of a long-term liability on the balance sheet, is that the arrangement with Crossrail is considered to be an executory contract (i.e. a contract made by two parties in which the terms are set to be fulfilled at a later date - both sides still have duties to perform before it becomes fully executed). Subject to completion of the works, the contributions could be made in two equal instalments of £25m in 2019/20 and 2020/21.
10. Contract commitment - of £7.5m relating to a works for the refurbishment of an investment property.

**Subsequent Events (disclosure note 24 on page 50)**

11. Vote to leave the European Union - there are risks to City's Cash from the vote to leave the EU. In particular, the future levels of demand for office accommodation in the City and surrounding areas and the consequential impacts on rent incomes. A close watching brief continues to be kept on this and other implications as events unfold with financial forecasts being refreshed when the picture becomes clearer.

12. As noted at para 7 above, the £125m bridging loan was repaid in full on 16 September 2019 and replaced with a £250m longer term loan in line with the City's borrowing strategy.

## Highlights from the Consolidated Statement of Comprehensive Income

### Comparison with Previous Year

13. The Consolidated Statement of Comprehensive Income for the year ending 31 March 2019 shows a net surplus of £59.7m, £12.6m lower than in the previous year, as summarised in the following table. The operating deficit, before gains and losses in the fair value of investments, is £16.1m higher as shown:

	<b>31/3/19 £m</b>	<b>31/3/18 £m</b>	<b>Variance £m</b>
Operating deficit before gains in fair value of investments	(47.1)	(31.0)	(16.1)
Gain in fair value of property investments	50.1	81.0	(30.9)
Gain in fair value of non-property investments	53.5	16.0	37.5
<b>Operating surplus</b>	<b>56.5</b>	<b>66.0</b>	<b>(9.5)</b>
Profit on sale of fixed assets	3.4	7.5	(4.1)
Impairment of heritage assets	-	(1.2)	1.2
Loan financing costs	(0.2)	-	(0.2)
<b>Surplus for the year</b>	<b>59.7</b>	<b>72.3</b>	<b>(12.6)</b>

14. The unfavourable movement in the operating deficit (before gains in fair value of investments) for the year of £16.1m (from £31.0m in the prior year to £47.1m) is largely due to:

- net pension scheme costs increasing by £4.8m, from £15.7m in 2017/18 to £20.5m in 2018/19, largely due to losses on settlements and curtailments increasing by £5.7m from £0.2m in 2017/18 to £5.9m in 2018/19. The bulk of this increase follows the ruling of the Court of Appeal in December 2018 that transitional protections put in place under reforms to both the Judges' and Firefighters' Pension Schemes discriminated against a group of members on the grounds of age. The ruling is applicable to all public sector pension schemes in which the City's Cash employees participate including the LGPS and the Teachers' Pension Scheme and has resulted in an increase in the City's Cash pensions liability of £5.8m being recognised in 2018/19;

- net expenditure on education increasing by £3.9m due to spend at the GSMD on its Five Year Strategic Plan, the agreed increase in funding to the City's academy schools and due to a non-recurrent insurance receipt in the 2017/18 accounts for the replacement swimming Pool at the City of London Freeman's School;
- net expenditure on grants and other activities increasing by £3.9m, largely due to landlord works for the Museum of London Relocation Programme;
- expenditure relating to property investments increasing by £3.4m, from £17.2m in 2017/18 to £20.6m in 2018/19, mainly due to works at the site of the Barking and Thames Power Station to facilitate the Markets Consolidation Programme;
- net expenditure on Open Spaces being £0.5m higher mainly due to additional purchases of equipment, materials and vehicles during the year and additional spend on repairs and maintenance of buildings;

### **Comparison with Budget**

15. The financial statements and the budget are not directly comparable due to differences in the way in which the two documents are constructed\*. However, compared to a budgeted net deficit of £54.7m as detailed in Annex 1, the outturn on a like for like basis is a net deficit of £26.4m, a favourable movement of £28.3m.

\* the budget includes the draw-down from non-property investments, whereas the Consolidated Statement of Comprehensive Income (CSoCI) does not as this is a transfer between investments and cash, however, the CSoCI includes the movements in fair value of investments but the budget does not account for such movements in the market value of assets. The budget also does not include accounting adjustments for holiday pay accruals and pension scheme actuarial gains or losses.

16. The budget and outturn can also be analysed on a Committee basis as shown in Annex 1.

17. The net £28.3m better than budget position is largely due to slippage of the £25m contribution to Crossrail and comprises a number of other smaller items including central contingences not being fully required, higher investment property rental income and lower recharges as central costs have reduced.

18. In accordance with the City's budget management arrangements, requests for the carry forward of City's Cash local risk resources totalling £4.6m have been agreed by the Chamberlain in consultation with the Chairman and Deputy Chairman of the Resource Allocation Sub-Committee. In addition, £7.9m of projects and works programmes have slipped and/or been re-phased to 2018/19. These carry forwards and re-phased projects will increase the call on City's Cash reserves in 2018/19.

## Consolidated Statement of Financial Position

19. City's Cash net assets total £2,669.8m at 31 March 2019 compared to £2,611.5m a year earlier reflecting the £58.3m total gain recognised for the year as set out below.

<b>Changes in Equity</b>	<b>31/3/19 £m</b>	<b>31/3/18 £m</b>	<b>Variance £m</b>
Surplus for the financial year	59.7	72.3	(12.6)
<b>Unrealised gains/(losses):</b>			
(Loss)/gain on revaluation of non-property investments	(0.2)	0.3	(0.5)
Actuarial gain/(loss) on defined benefit pension schemes	(1.2)	18.9	(20.1)
<b>Net increase in funds</b>	<b>58.3</b>	<b>91.5</b>	<b>(33.2)</b>

## Approval of the Financial Statements

20. It is recommended that the Finance Committee approve delegated authority for the Chairman and Deputy Chairman of the Finance Committee to approve and sign the financial statements on behalf of the Court of Common Council, taking account of any observations from the Audit and Risk Management Committee on 19 November.

## Annexes

- Annex 1 – City's Cash – comparison of outturn with budget
- Annex 2 – Annual Report and Financial Statements of City's Cash
- Annex 3 – BDO LLP Audit Management Report (includes the audit of the City's trusts)

## Steven Reynolds

Group Accountant, Chamberlain's Department

T: 020 7332 1382

E: [steven.reynolds@cityoflondon.gov.uk](mailto:steven.reynolds@cityoflondon.gov.uk)

## City's Cash - Comparison with Budget

City's Cash Outturn 2018/19			
	Budget	Outturn	Variation Better/ (Worse)
	£m	£m	£m
1. Net expenditure on services	(103.8)	(75.7)	28.1
2. Supplementary revenue projects	(11.2)	(11.2)	-
3. Estate rent income	56.7	59.1	2.4
4. Non-property investment income (net)	1.2	2.4	1.2
5. Interest on balances	0.3	(1.0)	(1.3)
6. <b>Operating deficit</b>	<b>(56.8)</b>	<b>(26.4)</b>	<b>30.4</b>
7. Profit on asset sales	2.1	0.0	(2.1)
8. <b>(Deficit) Surplus (from) to reserves</b>	<b>(54.7)</b>	<b>(26.4)</b>	<b>28.3</b>

## City's Cash - Comparison with Budget on a Committee Basis

2018/19 Budget v Outturn – City's Cash Summary by Committee					
Committee	Budget Net	Outturn	Variation Better / (Worse)		
			Total	Local Risk	Central Risk/ Support Services
	£m	£m	£m	£m	£m
Culture, Heritage & Libraries	(0.4)	(0.4)	-	0.3	(0.3)
Education Board	(2.4)	(2.3)	0.1	0.1	-
Finance	(42.6)	(22.5)	20.1	0.8	19.3
G.P Committee of Aldermen	(4.4)	(4.2)	0.2	0.1	0.1
Guildhall School of Music and Drama	(11.7)	(11.2)	0.5	0.3	0.2
Markets	(1.0)	(0.3)	0.7	0.5	0.2
Open Spaces :-					
Open Spaces Directorate	-	(0.2)	(0.2)	(0.2)	-
Epping Forest and Commons	(8.6)	(7.8)	0.8	0.6	0.2
Hampstead, Queen's Park and Highgate	(7.7)	(7.5)	0.2	0.2	-
Bunhill Fields	(0.4)	(0.4)	-	-	-
West Ham Park	(1.4)	(1.2)	0.2	0.1	0.1
Policy and Resources	(18.7)	(15.5)	3.2	-	3.2
Property Investment Board	48.8	51.3	2.5	(0.3)	2.8
Schools :-					
City of London School	(1.7)	(1.7)	-	-	-
City of London Freeman's School	(1.8)	(1.8)	-	(0.1)	0.1
City of London School for Girls	(0.7)	(0.7)	-	-	-
<b>(Deficit) Surplus (from) to reserves</b>	<b>(54.7)</b>	<b>(26.4)</b>	<b>28.3</b>	<b>2.4</b>	<b>26.2</b>

This page is intentionally left blank



<b>Committee(s):</b> Finance Committee – For decision Audit and Risk Management Committee – For decision	<b>Date(s):</b> 12 November 2019 19 November 2019
<b>Subject:</b> City’s Cash Trust Funds and Sundry Trust Funds Annual Reports and Financial Statements 2018/19	<b>Public</b>
<b>Report of:</b> The Chamberlain	<b>For Decision</b>
<b>Report author:</b> Steven Reynolds, Group Accountant	

## Summary

This report seeks approval for:

- the Annual Reports and Financial Statements for the City’s Cash Trust Funds (not City’s Cash itself which will be covered under a separate report) for the year ended 31 March 2019, these are listed at Annex 1 and have been placed in the Members’ Reading Room; and
- the Annual Reports and Financial Statements for the Sundry Trust Funds for the year ended 31 March 2019, these are listed at Annex 2 and have also been placed in the Members’ Reading Room.

The external auditor, BDO LLP is intending to issue an unqualified audit opinion and their report, including recommendations, is attached at Annex 3.

The financial statements of City’s Cash Trust Funds and the Sundry Trusts for the year ended 31 March 2019 have been prepared in accordance with the Charities Statement of Recommended Practice (SORP) in accordance with the Financial Reporting Standard 102 (FRS 102).

The City’s Cash Trust Funds held total funds of £61.5m as at 31 March 2019, which is £0.3m less than a year earlier (*paragraphs 7 to 10*).

The Sundry Trust Funds held total funds of £59.2m as at 31 March 2019, an increase of £0.4m (0.7%) from a year earlier (*paragraph 11*).

## Recommendations

The Audit and Risk Management Committee is requested to:

- consider the contents of the Audit Management Report issued by BDO LLP; and
- recommend approval of the City’s Cash Financial Statements for the year ended 31 March 2019 to the Finance Committee.

The Finance Committee is requested to:

- consider the contents of the Audit Management Report issued by BDO LLP;
- delegate approval of the City's Cash Financial Statements for the year ended 31 March 2019 to the Chairman and Deputy Chairman, taking account of any observations from the Audit and Risk Management Committee on 19 November; and
- agree that the Financial Statements are signed by the Chairman and Deputy Chairman of the Finance Committee on behalf of the Court of Common Council.

## **Main Report**

### **Current Position**

1. The 2018/19 Annual Report and Financial Statements for City's Cash Trust Funds (not City's Cash itself which will be covered under a separate report) and the Sundry Trust Funds have been placed in the Members' Reading Room and are listed at Annexes 1 and 2 respectively.
2. The draft 2018/19 Annual Reports and Financial Statements for the Sundry Trust Funds and the City's Cash Trusts Funds were presented to the external auditor, BDO LLP, in accordance with the agreed timetable on the 14<sup>th</sup> June and 28<sup>th</sup> June respectively.
3. BDO LLP intends to give an unqualified opinion on the Annual Reports and Financial Statements of the City's Cash Trust Funds and the Sundry Trust Funds and has issued the draft Audit Management Report set out in Annex 3. We are pleased to report that no accounting changes were required to the financial statements of the Sundry Trusts. However, some immaterial unadjusted items relating to the consolidated City's Cash Trust Funds were identified and set out on page 22 and pages 23-26. Ordinarily, even though immaterial, these would be adjusted in their individual financial statements and those of City's Cash but were not due to the late timing of these being identified.
4. The report from BDO LLP notes on page 30 that no significant or other deficiencies in internal control have been identified.
5. The Audit Management Report will be distributed to all Members of the Court of Common Council for information. Representatives from BDO LLP will be in attendance at the Audit and Risk Management Committee to present their report and to clarify any points or issues.
6. The Audit Review Panel of the Chamberlain's and Bridgemasters' Accounts met on 21 October 2019 to review the processes adopted by BDO LLP and the Panel intends to certify that those processes were in accordance with the prescribed auditing standards.

### **City's Cash Trust Funds**

7. The City's Cash Trust Funds comprise seven open space charitable funds, the Sir Thomas Gresham Trust Fund and Keats House as listed in Annex 1.
8. These Trusts ended the year with net outgoing resources of £0.1m (2017/18: net outgoing resources of £0.3m) which comprised the following:
  - Incoming resources of £23.2m:
    - funding from the City of London totalling £16.5m (2017/18: £16.0m) and;
    - income of £6.7m (2017/18: £6.1m) from investments and charitable and voluntary sources;
  - Resources expended of £23.3m:
    - charitable expenditure of £23.1m (2017/18: £22.2m) on the running of the open spaces, Gresham Almshouses and Keats House; and
    - support services costs of £0.2m (2017/18: £0.2m).
9. Managed investments, held mainly by Hampstead Heath, suffered an unrealised net loss in market value of £0.2m (2017/18: net gain of £0.4m).
10. At 31 March 2019, City's Cash Trust Funds held total reserves of £61.5m (2017/18: £61.8m) which represents a decrease of £0.3m compared to a year earlier.

### **Sundry Trust Funds**

11. The Sundry Trust Funds comprise the separate charitable funds listed at Annex 2. Excluding the Charities Pool (which is an investment vehicle for the other charities), the remaining 18 Trusts:
  - received income of £4.0m (2017/18: £2.9m) of which £2.4m was from investments (2017/18: £2.1m);
  - incurred charitable expenditure of £2.9m (2017/18: £2.3m) including:
    - £1.2m towards the running costs of Hampstead Heath (2017/18: £1.1m);
    - £1.3m (2017/18: £0.8m) comprising 295 grants and 62 bursaries paid to individuals or organisations (2017/18: 275 grants and 47 bursaries); and
    - £0.4m towards the running costs of the City of London Almshouses (2017/18: £0.3m);
  - incurred governance and administration costs of £0.2m mainly due to fund manager costs (2017/18: £0.2m);
  - had unrealised losses of £0.5m from managed investments (2017/18: £0.6m gains); and

- held total funds of £59.2m as at 31 March 2019 (2017/18: £58.8m), an increase of £0.4m (0.7%) from a year earlier.

### **Approval of the Financial Statements**

12. It is recommended that the Finance Committee approve delegated authority for the Chairman and Deputy Chairman of the Finance Committee to approve and sign the financial statements on behalf of the Court of Common Council, taking account of any observations from the Audit and Risk Management Committee on 19 November.

### **Annexes**

- Annex 1 – List of City’s Cash Trust Funds
- Annex 2 – List of Sundry Trusts
- Annex 3 – BDO Audit Management Report

### **Steven Reynolds**

Group Accountant, Chamberlain’s Department

T: 020 7332 1382

E: [steven.reynolds@cityoflondon.gov.uk](mailto:steven.reynolds@cityoflondon.gov.uk)

**CITY'S CASH TRUST FUNDS**

*Open Spaces*

Ashtead Common

Burnham Beeches

Epping Forest

Hampstead Heath

Hampstead Heath Trust (subsidiary of above)

Highgate wood and Queen's Park Kilburn

West Ham Park

West Wickham Common and Spring Park Wood, Coulsdon and Other Commons

Sir Thomas Gresham Charity

Keats House

**SUNDRY TRUSTS**

*Banking and Investments*

Corporation of London Charities Pool

*Open Spaces*

King George's Field

*Books and Libraries*

Guildhall Library Centenary Fund

*Education*

City Educational Trust Fund

The City of London Corporation Combined Relief of Poverty Charity

City of London School Education Trust

Charities Administered ICW The City of London Freemen's School

City of London School Bursary Fund

City of London School for Girls Bursary Fund

City of London Freemen's School Bursary Fund

The City of London Corporation Combined Education Charity

*Other Trusts and Funds*

Emanuel Hospital\*

Sir William Coxen Trust Fund\*

Signore Pasquale Favale Bequest

Wilson's Loan Trust\*

Vickers Dunfee Memorial Benevolent Fund \*

City of London Almshouses

The Ada Lewis Winter Distress Fund

<b>Committee:</b> Financial Investment Board Audit and Risk Management	<b>Date:</b> 17 September 2019 19 November 2019
<b>Subject:</b> End of Year Treasury Management Review 2018/19	<b>Public</b>
<b>Report of:</b> The Chamberlain	<b>For Information</b>
<b>Report author:</b> Kate Limna – Corporate Treasurer	

## Summary

The Treasury Management Strategy Statement for 2018/19 was approved by the Financial Investment Board and the Finance Committee in February 2018 and by the Court of Common Council on 8 March 2018.

Under CIPFA’s Code of Practice on Treasury Management, which was adopted by the Court of Common Council on 3 March 2010, there is a requirement to provide an end of year report. The main points to note are as follows:

- As at 31 March 2019, the City had treasury balances totalling some £865.9m. The majority of the balances are held for payment to third parties or are restricted reserves.
- Short term investment returns continue to be low, although interest rates increased moderately in line with the Bank of England decision to increase Bank Rate from 0.50% to 0.75% in August 2018.
- The investment strategy during the year conformed to the approved strategy and there were no liquidity difficulties.
- The strategy was amended by the Court of Common Council part way through the year to enable City’s Cash to borrow for capital expenditure.

## Recommendation

Members are asked to note the report.

## Main Report

### Introduction

1. The City of London Corporation (the City) is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and treasury indicators for 2018/19. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).
2. The Treasury Management Strategy Statement (TMSS) for 2018/19 was approved by the Financial Investment Board (1 February 2018), Finance Committee (20 February 2018) and the Court of Common Council (8 March 2018). During 2018/19 the Financial Investment Board received investment analysis reports at each Board meeting.

### Overall Treasury Position as at 31 March 2019

3. The City's treasury position at the start and end of 2018/19 was as follows:

<b>Table 1</b>	<b>31/03/18 Principal £m</b>	<b>Rate/ Return %</b>	<b>Average Life Yrs</b>	<b>31/03/19 Principal £m</b>	<b>Rate/ Return %</b>	<b>Average Life Yrs</b>
Fixed rate funding						
- PWLB	0			0		
- Market	0			0		
	0			0		
Variable rate funding						
- PWLB	0			0		
- Market	0			(125) <sup>(i)</sup>		
	0			(125)		
<b>Total debt</b>	<b>0</b>			<b>(125)</b>		
<b>Total investments</b>	<b>790.5</b>	<b>0.52</b>	<b>0.25</b>	<b>865.9</b>	<b>0.97</b>	<b>0.21</b>
<b>Net Investments</b>	<b>790.5</b>	<b>0.52</b>		<b>745.9</b>		

(i) Bridging facility for City's Cash drawn down March 2019

### The Strategy for 2018/19

4. The expectation for interest rates within the TMSS for 2018/19 was that Bank Rate would increase steadily but slowly over the next few years, with a 0.25% increase anticipated in 2018/19. This outlook was contingent upon economic conditions and political developments and under these circumstances the City's treasury cash would continue to be invested in a balanced portfolio that prioritised security and liquidity considerations. For longer term borrowing rates, the overall long run trend was for gilt yields to rise, albeit gently. It was also understood that bond yields can



be subject to exceptional levels of volatility from time to time. Variable, or short-term rates, were expected to be the cheaper form of borrowing over the period.

5. The original TMSS did not anticipate any borrowing across the City's Funds during 2018/19. As the organisation's capital spending plans developed through the year, the mid-year review of the TMSS highlighted the potential need for borrowing for City's Cash. On 11 December 2018 the Finance Committee approved an amendment to the 2018/19 TMSS to include a borrowing policy for City's Cash. This amendment was approved by the Court of Common Council at their meeting on 10 January 2019. This borrowing policy helps the organisation to ensure that any borrowing entered into by City's Cash is prudent, sustainable and affordable.
6. There were no other changes to the TMSS during the year.
7. The 2018/19 TMSS also included a number of prudential and treasury indicators for the year which are shown in Appendix 1. The City complied with all indicators in 2018/19.

### **The Borrowing Requirement and Debt**

8. UK gilt yields rose gently from April through to October 2018 after which they entered a general downwards trend. There was a significant correlation with US treasury yields at a time when the Federal Reserve underwent a "pivot" from tighter to looser monetary policy. The market began to perceive a need for the Fed to cut rates by December 2018 which pushed US treasury yields down, with a corresponding impact on UK gilt yields.
9. City's Cash acquired short term, variable rate market borrowing of £125m during 2018/19 to fulfil a planned financing requirement created by capital expenditure. This balance was outstanding at year end.
10. The City Fund and Bridge Houses Estates did not enter into any borrowing during the year. It is anticipated that the City Fund will require new borrowing in future years to finance the capital programme.

### **Investment Outturn for 2018/19**

11. **Investment Policy** – the City's investment policy is governed by MHCLG guidance on Local Government Investments and the CIPFA Treasury Management Code which has been implemented in the annual investment strategy approved by the Court of Common Council on 8 March 2018. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data (such as rating outlooks, credit default swaps, bank share prices etc.)
12. Investment returns remained low during 2018/19. Expectations of an increase in Bank Rate in early 2018 were suppressed by relatively weak GDP growth for the first few months of the year. The Bank of England ultimately increased its base rate from 0.50% to 0.75% in August 2018. Sterling money market rates were thereafter on a gently rising trend from April to October but rose sharply after the Monetary

Policy Committee noted building inflationary pressures at its meeting of 1 November. However soft GDP data after December and continued uncertainty around Brexit resulted in investment rates falling back at the end of the year.

13. The City's average interest rate on cash under management for 2018/19 was 0.97%, which compares to a return of 0.52% in 2017/18 and a budgeted assumption of 0.65%. The increase in income was driven by an uplift in the Bank of England's base rate noted above, which supported higher rates in the sterling money markets. The City also benefitted from stronger returns available on its short-dated bond fund investments.
14. The investment activity during the year conformed to the approved strategy, and the City of London had no liquidity difficulties.

### **Conclusion**

15. The year was characterised by continuing low levels of investment return although the increase in the Bank of England's Base Rate from 0.50% to 0.75 supported moderately higher returns in the sterling money markets.
16. City's Cash acquired a short-term borrowing facility amounting to £125m to support capital expenditure.

### **Appendices**

Appendix 1 – Treasury Indicators

#### **James Graham**

Group Accountant (Pensions and Treasury Management)

T: 020 7332 1137

E: [james.graham@cityoflondon.gov.uk](mailto:james.graham@cityoflondon.gov.uk)

## Appendix 1

### Treasury Indicators

TABLE 1: TREASURY MANAGEMENT INDICATORS	2017/18	2018/19	2018/19
	Actual	Estimate	Actual
	£'000	£'000	£'000
<b>Authorised Limit for external debt -</b>			
borrowing	£0	£0	£0
other long term liabilities	£14,006	£13,888	£13,888
TOTAL	£14,006	£13,888	£13,888
<b>Operational Boundary for external debt -</b>			
borrowing	£0	£0	£0
other long term liabilities	£14,006	£13,888	£13,888
TOTAL	£14,006	£13,888	£13,888
<b>Actual external debt</b>	£0	£0	£0
<b>Upper limit for fixed interest rate exposure</b>			
expressed as either:-			
Net principal re fixed rate borrowing / investments OR:-	100%	100%	100%
Net interest re fixed rate borrowing / investments	100%	100%	100%
<b>Upper limit for variable rate exposure</b>			
expressed as either:-			
Net principal re variable rate borrowing / investments OR:-	100%	100%	100%
Net interest re variable rate borrowing / investments	100%	100%	100%
<b>Upper limit for total principal sums invested for over 364 days</b>	£0m	£300m	£0m
(per maturity date)			

TABLE 2: Maturity structure of fixed rate borrowing during 2018/19	upper limit	lower limit
under 12 months	0%	0%
12 months and within 24 months	0%	0%
24 months and within 5 years	0%	0%
5 years and within 10 years	0%	0%
10 years and above	0%	0%

This page is intentionally left blank

<b>Committee(s):</b> Audit and Risk Management Committee – For Information	<b>Date(s):</b> 19/11/2019
<b>Subject:</b> Internal Audit Update Report	<b>Public</b>
<b>Report of:</b> Head of Audit and Risk Management	<b>For Information</b>
<b>Report author:</b> Matt Lock	

## Summary

This report provides an update on internal audit activity since the last Internal Audit Update Report presented to the July 2019 Committee meeting and recommendation implementation status since the September 2019 meeting.

The Audit plan for 2019/20 includes 75 full assurance reviews. Since the July 2019 Committee meeting, Final Reports have been issued in respect of 14 audit reviews and Draft Reports issued in respect of a further 14 audit reviews. Fieldwork is underway (at various stages) for a further 30 reviews.

As a result of long-term sickness absence within the team, the current resource base for the year is only sufficient to meet 88% of the original audit plan. Opportunities have been identified to streamline the plan across 9 reviews to accommodate this shortfall and re-balance the plan without compromising the ability to provide a rounded assurance opinion at year end. This is achieved by ensuring that planned audit work is focussed on areas of highest risk and that reliance is placed on the work of other assurance providers where possible. It is anticipated that there may be opportunities to further streamline the audit plan as more detailed planning is undertaken for individual audit assignments.

The team has consistently delivered the Audit Plan by the end of the year despite being off-profile within the year. Nonetheless, changes are being introduced that will enhance plan delivery in the coming years.

## Recommendation

Members are asked to:

- Note the report.

## Main Report

### Background

1. This report provides an update on the work of Internal Audit since the July 2019 Audit and Risk Management Committee and, more recently, the implementation of audit recommendations since the September 2019 Committee.

### Internal Audit Plan Delivery

2. The overall position of delivery against the 2019/20 Internal Audit Plan Delivery is summarised in Appendix 1. A significant volume of work was carried forward from 2018/19, with some 17 reports (8 final and 9 draft) issued since the update to the July Committee. This work is now almost entirely complete and a full summary showing progress is included as Appendix 2. 11 Internal Audit reviews have been completed to at least draft report stage since July (6 final and 5 draft, 15% of the plan) with work in progress for a further 30 reviews. A full status summary of the 2019/20 Internal Audit Plan is shown as Appendix 3.
3. The finalised Audit reviews are:

Department/Audit	Assurance Rating	Recommendations Made		
		Red	Amber	Green
Barbican Centre - FRAUD RISK MANAGEMENT	Amber	0	7	4
Chamberlain's - IT - MOBILE DEVICES	Amber	0	8	3
City of London Police - INTERPRETERS FEES	Amber	0	2	2
City of London School for Girls - BUDGET ESTIMATING	Amber	0	2	0
City Surveyors - COMMERCIAL LEASES	Amber	0	3	1
Community and Children's Services - ASYLUM SEEKERS	Red	4	5	0
Guildhall School - INCOME GENERATION	Amber	0	3	0
Town Clerk's - RESPONSIBLE BUSINESS STRATEGY	Amber	0	4	0
Barbican Centre - FINANCIAL MONITORING	Green	0	0	2
Chamberlain's - PROCESS MAPS	Green	0	0	4
City Surveyors - CLFS ENABLING WORKS	Red	4	0	0
Guildhall School - STUDENT PETTY CASH	Green	0	3	8
Guildhall School - ACCADEMIC PROGRAMME DEVELOPMENT	Green	0	0	0
Police Authority - FLEET STREET	Amber	0	2	0

The Red recommendations raised relate to the following:

#### Community and Children's Services – Asylum Seekers

- Clarifying roles and responsibilities between the Children's Social Care team and Commissioning team
- Formalising contractual relationships with independent placement providers
- Completing documentation in relation to individual agreements for all types of placements
- Sourcing providers of semi-independent living that deliver appropriate quality and value for money provision

City Surveyors – Freeman’s School Enabling Works (2 recommendations were implemented by the target date, one has not been evidenced and one not yet due)

- Training needs in relation to project management procedures (not yet due)
- Supervision and monitoring of the work of Project Managers and oversight of instructions issued to contractors (implemented)
- Supervision and oversight of project change requests (implemented)
- Supervision and oversight to ensure correct completion of interim Payment Certificates (not evidenced)

4. As a result of long-term sickness absence within the team, the resource base is 115 days short of the requirement of the original 2019/20 audit plan. Having examined the intended audit coverage, opportunities have been identified to streamline delivery across 9 audit reviews, shown in Appendix 3 with the status “To be re-planned”. It is anticipated that there will be further opportunities for efficiencies within other planned audit reviews. Consequently, this shortfall will be accommodated within the current year.
5. A number of performance measures and indicators are currently in development and these will be added to those shown in Appendix 1 to form a comprehensive dashboard, forming the basis for future updates to Senior Leadership and Committee.

### **Recommendations Implementation**

6. Follow-up activity has recently been completed in respect of all live red and amber priority recommendations where their due date was on or before 31 October 2019. A summary of follow-up outcomes by department is included as Appendix 4, this shows that 46 recommendations have not been implemented in accordance with the target dates set and where no revised implementation date has been received. A further 15 recommendations are outstanding for which revised implementation dates were received, these will be subject to further follow up in due course. 67 high priority recommendations have been confirmed as implemented. Those outstanding recommendations are listed in Appendix 5, together with management responses received as explanation for non-implementation.
7. At 31 October 2019, there was a total of 117 high priority live recommendations (10 Red and 107 Amber), including those referred to above. A summary of the spread of these recommendations is provided at Appendix 6. Of the 10 live Red recommendations, 6 are referred to above, resulting from recent audits, the remaining 4 relate to the following:

#### City of London School Cyber Security

- Addressing the recommendations of the recent penetration test (revised implementation date provided)

### City of London Freemen's School – Cyber Security

- Penetration testing and prioritisation of corrective action according to the risk presented (revised implementation date provided)
  
- The policy for use of USB drives (revised implementation date provided)

### City of London Police – Key Financial Controls

- The budget-setting process should incorporate:
  - Stakeholder input to ensure alignment with operational requirements;
  - Clear linkage with the Medium-Term Financial Plan and Workforce Plan;
  - Local arrangements for scrutiny;
  - Retention of documentation to reflect key elements of the process e.g. meetings between Finance Business Partners and budget holders and working papers to support budget calculations.  
(revised implementation date provided)

## **Conclusion**

8. Delivery of the 2019/20 Internal Audit Plan is gaining momentum with 15% of work delivered to at least draft report stage. While delivery is behind the optimal profile for the year, this is attributable to the volume of carry forward work from the 2018/19 plan; with final reports issued for 8 reviews and draft reports for 9 reviews since the update made to the July Committee.
  
9. A significant amount of work is in progress and, subject to re-planning to accommodate a resource shortfall resulting from long-term sickness absence, the team is expected to deliver the audit plan within the year.

## **Appendices**

- Appendix 1 – Audit Plan Delivery Summary
- Appendix 2 – 2018/19 Carry Forward Work
- Appendix 3 – 2019/20 Plan Delivery Update
- Appendix 4 – Summary of Recommendations due by 31/10/19
- Appendix 5 – Outstanding Recommendations
- Appendix 6 – Summary of Live High Priority Recommendations

### **Matt Lock**

Head of Audit and Risk Management

T: 020 7332 1276

E: [Matt.lock@cityoflondon.gov.uk](mailto:Matt.lock@cityoflondon.gov.uk)



**2019/20 Audit Plan**

	2019/20 Audit Plan			
	Audit Review Status	Count	Percentage of Count	Audit Days
Work in Progress	Final Report	6	8%	59
	Draft Report	5	7%	48
	Fieldwork Complete	7	9%	80
	Fieldwork in Progress	10	13%	146
	Terms of Reference Issued	5	7%	65
	Planning	8	11%	107
	Not started	34	45%	435
<b>Total</b>		<b>75</b>	<b>100%</b>	<b>940</b>

Notes: Not Started includes proposed amendments to plan

**2018/19 Carry Forward Work**

Audit Review Status	Count	Percentage of Count	Audit Days
Final Report	13	52%	22
Draft Report	9	36%	12
Fieldwork in Progress	3	12%	11
<b>Total</b>	<b>25</b>	<b>100%</b>	<b>45</b>

Other Audit Activity	Days
Recommendation Follow-up	20
Guildhall Club Accounts	5
Schools Financial Values Statement	3
<b>Total</b>	<b>28</b>

Notes: Recommendation Follow-up allocation is significantly underestimated

**3rd Party Audit Work**

	3rd Party Audit Work			
	Audit Review Status	Count	Percentage of Count	Audit Days
London Councils	Final Report	1	14%	4
	Draft Report	0	0%	0
	Fieldwork Complete	3	43%	35
	Fieldwork in Progress	1	14%	10
	Not Started	2	29%	20
	<b>Total</b>	<b>7</b>	<b>100%</b>	<b>69</b>

	3rd Party Audit Work			
	Audit Review Status	Count	Percentage of Count	Audit Days
Museum of London	Final Report	2	33%	4
	Draft Report	1	17%	10
	Fieldwork Complete	2	33%	22
	Fieldwork in Progress	0	0%	0
	Not Started	1	17%	15
	<b>Total</b>	<b>6</b>	<b>100%</b>	<b>51</b>

**Audit Plan Reconciliation**

	Days	Days
Audit Resource Base		
In-House Team	598	
Mazars	420	
Total		1018
Total Planned Audit Days		1133
<b>Resource Shortfall</b>		<b>-115</b>

This page is intentionally left blank

Dept Code	Department/Audit	Audit Days	Status	Assurance Rating	Recommendations Made		
					Red	Amber	Green
Barbican Centre	STRATEGIC PLANNING, MONITORING & IMPLEMENTATION	3	Final Report	Amber	0	3	0
Barbican Centre	FRAUD RISK MANAGEMENT	2	Final Report	Green	0	1	0
Chamberlain's	IT - MOBILE DEVICES	3	Final Report	Amber	0	2	2
City of London Police	INTERPRETERS FEES	0	Final Report	Amber	1	1	0
City of London School for Girls	BUDGET ESTIMATING	2	Final Report	Green	0	0	1
City Surveyors	COMMERCIAL LEASES	0	Final Report	Amber	0	3	1
Community and Children's Services	ASYLUM SEEKERS	2	Final Report	Amber	0	2	0
Corporate Wide	CORPORATE-WIDE - SUPPLIERS FINANCIAL HEALTH/RESILIENCE	3	Final Report	Amber	0	8	3
Corporate Wide	CORPORATE -WIDE - COMMERCIAL MANAGER SCORECARD PROCEDURES	3	Final Report	Red	4	5	0
Guildhall School	INCOME GENERATION	0	Final Report	Amber	0	3	0
Mansion House	INCOME AND EXPENDITURE	2	Final Report	Amber	0	7	4
Town Clerk's	ECONOMIC DEVELOPMENT	2	Final Report	Red	3	8	2
Town Clerk's	RESPONSIBLE BUSINESS STRATEGY	2	Final Report	Amber	0	4	0
Barbican Centre	IT PROJECTS (CRM, AGILE WORKING, TICKETING SYSTEM)	3	Draft Report	Amber	0	3	3
Built Environment	PROJECT TEAM	0	Draft Report	Amber	0	6	4
Built Environment	MAJOR INCIDENT PLANNING	0	Draft Report	Amber	0	4	1
City of London Police	PROCUREMENT CONTRACT MANAGEMENT	0	Draft Report	Amber	0	8	0
City of London Police	FRONT DESKS	0	Draft Report	Amber	1	4	0
City of London School	HEALTH & SAFETY	2	Draft Report	Amber	0	3	0
City of London School for Girls	CYBER SECURITY	2	Draft Report	Red	3	12	1
Corporate Wide	CORPORATE-WIDE BUDGET ESTIMATE PREPARATION	3	Draft Report	Amber	0	5	0
Corporate Wide	CORPORATE-WIDE SAFER RECRUITMENT	0	Draft Report	Amber	0	6	2
Barbican Centre	COMMERCIAL EVENTS	2	Fieldwork in Progress				
Barbican Centre	EVENTS CONTRACTING (INCLUDING CANCELLATION ARRANGEMENTS)	4	Fieldwork in Progress				
Guildhall School	ESTATES STRATEGY	5	Fieldwork in Progress				
<b>Total Audit Days</b>		<b>45</b>					

This page is intentionally left blank

Dept Code	Department/Audit	Audit Days	Status	Assurance Rating	Recommendations Made		
					Red	Amber	Green
Barbican Centre	FINANCIAL MONITORING	15	Final Report	Green	0	0	2
Chamberlain's	PROCESS MAPS	8	Final Report	Green	0	0	4
City Surveyors	CLFS ENABLING WORKS	4	Final Report	Red	4	0	0
Guildhall School	STUDENT PETTY CASH	5	Final Report	Green	0	3	8
Guildhall School	ACCADEMIC PROGRAMME DEVELOPMENT	15	Final Report	Green	0	0	0
Police Authority	FLEET STREET	12	Final Report	Amber	0	2	0
Chamberlain's	IT ASSET MANAGEMENT	0	Draft Report	Amber	0	17	4
Community and Children's Services	EARLY HELP STRATEGY	8	Draft Report	Amber	0	2	1
Corporate HR	PUBLIC SECTOR EQUALITIES DUTY	10	Draft Report	Amber	0	3	2
Corporate Wide	GDPR COMPLIANCE	15	Draft Report	Amber	0	1	1
Guildhall School	BUDGET-SETTING & FINANCIAL MANAGEMENT	15	Draft Report	Amber	0	1	1
Barbican Centre	SPONSORSHIP & DONATIONS	10	Fieldwork Complete				
Chamberlain's	CBIS (ORACLE) PROPERTY MODULE	12	Fieldwork Complete				
City of London Police	PAYROLL AND OVERTIME	15	Fieldwork Complete				
City of London Police	TRANSFORM CHANGE PROGRAMME PHASE 1	6	Fieldwork Complete				
City Surveyors	ACQUISITION OF NEW PROPERTIES/ DISPOSAL	10	Fieldwork Complete				
Guildhall School	FRAUD RISK MANAGEMENT	12	Fieldwork Complete				
Markets and Consumer Protection	HEALTH & SAFETY	15	Fieldwork Complete				
Barbican Centre	ARTISTIC EVENTS DECISION-MAKING & EVALUATION	10	Fieldwork in Progress				
Chamberlain's	SOFTWARE LIFECYCLE MANAGEMENT	14	Fieldwork in Progress				
City of London Police	POLICE PREMISES EXPENDITURE	15	Fieldwork in Progress				
Community and Children's Services	BUDGET-SETTING & FINANCIAL MONITORING	15	Fieldwork in Progress				
Community and Children's Services	HOUSING SAFETY	12	Fieldwork in Progress				
Comptroller and City Solicitor	MANAGEMENT OF FREEDOM OF INFORMATION REQUESTS	10	Fieldwork in Progress				
Corporate HR	HUMAN RESOURCES - STAFF SICKNESS MANAGEMENT	15	Fieldwork in Progress				
Corporate Wide	PROJECT MANAGEMENT	25	Fieldwork in Progress				
Open Spaces	INCOME CHECKS	20	Fieldwork in Progress				
Open Spaces	KEATS HOUSE - INCOME AND EXPENDITURE	10	Fieldwork in Progress				
City Surveyors	FRAUD RISK MANAGEMENT	8	ToR				
Corporate Wide	CORPORATE-WIDE HIGHWAYS REPAIRS AND MAINTENANCE CONTRACT	20	ToR				
Corporate Wide	FIRE SAFETY RISK MANAGEMENT	15	ToR				
Markets and Consumer Protection	BUDGET-SETTING & FINANCIAL MONITORING	15	ToR				
Sir John Cass School	CASS CHILDREN & FAMILY CENTRE	7	ToR				
Barbican Centre	SECURITY	15	Planning				
Chamberlain's	COUNCIL TAX	10	Planning				
Chamberlain's	BUSINESS RATES	10	Planning				
Chamberlain's	IT SERVICE MANAGEMENT (ITIL)	10	Planning				
City of London Police	WORKFORCE PLANNING	15	Planning				
City of London Police	FINANCIAL FORECAST	20	Planning				
Comptroller and City Solicitor	INCOME AND EXPENDITURE - DIRECT CHARGING	12	Planning				
Corporate Wide	ASSET MANAGEMENT	15	Planning				

Dept Code	Department/Audit	Audit Days	Status	Assurance Rating	Recommendations Made		
					Red	Amber	Green
Barbican Centre	FACILITIES MANAGEMENT AND MAINTENANCE (Barbican and Guildhall School)	15	Not Started				
Barbican Centre	DATA SECURITY	15	Not Started				
Built Environment	DBE CAR PARKS CONTRACT MANAGEMENT	10	Not Started				
Chamberlain's	IT - DIGITAL CONTENT MANAGEMENT (SHAREPOINT)	10	Not Started				
Chamberlain's	TREASURY MANAGEMENT	10	Not Started				
Chamberlain's	PENSION FUND INVESTMENTS	12	Not Started				
Chamberlain's	INFORMATION GOVERNANCE	20	Not Started				
Chamberlain's	IT SHAREPOINT	10	Not Started				
Chamberlain's	FIREWALL & VPN MANAGEMENT	14	Not Started				
Chamberlain's	IT TELECOMS	15	Not Started				
City of London Police	TRANSFORM CHANGE PROGRAMME PAHSE 2	14	Not Started				
City of London School	SCHOOL FEES	7	Not Started				
City of London School for Girls	HEALTH AND SAFETY	10	Not Started				
City of London School for Girls	SCHOOL EXPANSION PROJECT	7	Not Started				
City of London School for Girls	ASSET MANAGEMENT	3	Not Started				
Community and Children's Services	DIRECT PAYMENTS	7	Not Started				
Community and Children's Services	ACADEMIES	30	Not Started				
Corporate HR	HUMAN RESOURCES - POLICIES/PROCEDURES/GUIDANCE REVIEWS	20	Not Started				
Corporate Wide	WORKFORCE PLANNING	15	Not Started				
Freemen's School	STAFF TRAINING	8	Not Started				
Freemen's School	KEY CONTROLS	8	Not Started				
Guildhall School	INTERNATIONALISM	12	Not Started				
Markets and Consumer Protection	HEATHROW ANIMAL RECEPTION CENTRE - KEY FINANCIAL	12	Not Started				
Police Authority	POLICE FUNDING	20	Not Started				
Town Clerk's	CITY BRIDGE TRUST GRANTS	15	Not Started				
Community and Children's Services	CHILDREN LOOKED AFTER	10	To be re-planned				
Corporate Wide	CORPORATE-WIDE CHANGE CONTROL	12	To be re-planned				
Corporate Wide	PROJECT ESTIMATING (GATEWAY PROCESS)	15	To be re-planned				
Corporate Wide	CORPORATE-WIDE RISK MANAGEMENT	15	To be re-planned				
Corporate Wide	PROJECTS CHANGE CONTROL PROCESS	10	To be re-planned				
Corporate Wide	CHANGE CONTROL	20	To be re-planned				
Corporate Wide	USE OF CONSULTANTS	20	To be re-planned				
Sir John Cass	KEY CONTROL PROCESSES	7	To be re-planned				
Sir John Cass	SCHOOL FUNDING	7	To be re-planned				
Total Audit Days		940					

## Corporate Follow-Up Exercise Outcomes – Recommendations due by 31/10/19

*Outstanding High Priority (Red & Amber) Recommendations*

Department	Partially Implemented		Not Implemented		Total
	Revised Date Supplied	Revised Date Not Supplied	Revised Date Supplied	Revised Date Not Supplied	
Barbican	1	1	2	0	4
Chamberlain's IT	0	1	0	0	1
Chamberlain's Procurement	0	2	0	2	4
City of London Freemen's School	2	0	3	1	6
City of London Police	1	1	1	0	3
City of London School	2	1	0	2	5
City of London School for Girls	0	2	0	16	18
City Surveyor	0	0	0	1	1
Community & Children's Services	0	3	0	2	5
Guildhall School of Music & Drama	0	1	0	7	8
Markets & Consumer Protection	1	0	0	0	1
Open Spaces	0	0	0	1	1
Town Clerk's EDO	0	0	0	2	2
Town Clerk's HR	0	0	1	0	1
Town Clerk's Resilience	0	0	1	0	1
<b>TOTAL</b>	<b>7</b>	<b>12</b>	<b>8</b>	<b>34</b>	<b>61</b>

This page is intentionally left blank



## High Priority Recommendations Partially Implemented / Not Implemented

High priority recommendations outstanding at time of November 2019 follow-up exercise (implementation due by 31/10/2019)

Department & Audit Area	Original Target Date	Previous Revised Target Date	New Target Date	Implementation Status		Management Comment / Internal Audit Comment
				Not	Partial	
<b>Barbican (4 Recommendations)</b> Strategic Planning – Project Initiation Forms	30/09/19	N/A	31/03/20	1	0	Management update: There have been no new PIFs since the audit so we cannot evidence implementation at this time. New plan and process are going to the November 2019 Board so will be able to demonstrate partial implementation at that point. Revised target date for demonstration of full implementation: 31/03/20.
Strategic Planning – Development of SMART KPIs	30/09/19	N/A	31/03/20	0	1	Management update: We have agreed on the 10 KPI areas and these will be going to our November Board. The exact measure will not be set for 2020-21 until earlier in the next calendar year when more of the programme and budget are confirmed. Revised target date for demonstration of full implementation: 31/03/20.
Fraud Risk Management – Engineering Stock Procedures	31/08/19	25/10/19	31/01/20	1	0	Management update: The pressure on the team from the ongoing restructure and an unexpected absence has delayed this further. Revised target date for demonstration of full implementation: 31/01/20.
Fraud Risk Management – Retail and Bars Training Records	31/07/19	25/10/19	TBC	0	1	Management update, October 2019: Retail – We will have staff records updated by the 25th October 2019. Staff training will be recorded electronically and we'll keep a hard copy of the signature page.  Internal Audit comment: a revised target timescale is required for demonstration of the outstanding element in respect of Retail training records.

Department & Audit Area	Original Target Date	Previous Revised Target Date	New Target Date	Implementation Status		Management Comment / Internal Audit Comment
				Not	Partial	
<b>Chamberlain's IT (1 Recommendation)</b> Mobile Devices – Timescale for Completion of Leaver Forms	30/19/19	N/A	30/11/19	0	1	Management update: A monthly process has been agreed with the Service Desk to email senior managers highlighting leavers/managers that have not completed a Leavers Form stating their responsibilities and highlighting policies.  Internal Audit comment: A new process has been agreed and the first run of the report will be in November. The recommendation will be closed down once evidence has been obtained of the control in operation. Revised target date for demonstration of full implementation: 30/11/19.
<b>Chamberlain's Procurement (4 Recommendations)</b> Suppliers Financial Health and Resilience Audit: Category A Supplier Scorecards	31/07/19	31/10/19	TBC	0	1	Management update: Deadline for close-out of the scorecard that includes a sign-off sheet is 31/10. It is not complete at the time of this update, so evidence cannot yet be provided.
Suppliers Financial Health and Resilience Audit: Financial Metrics Analysis and Commercial Analysis	30/06/19	31/10/19	TBC	0	1	Internal Audit comment: A revised target timescale for demonstration of full implementation of both recommendations is required.
Commercial Contract Management Scorecards - Procedures Audit: Backlog of Supplier Scorecards	30/06/19	N/A	TBC	1	0	Management update: At 21/10/19, the scoring and reporting tracker shows 28 contracts due for scoring completed: 19 are completed; 3 are up to 1 month overdue; 6 are up to three months overdue.  Internal Audit comment: A revised target timescale for demonstration of full implementation is required.
Commercial Contract Management Team Scorecards - Procedures Audit: Completing Scorecards	30/09/19	N/A	TBC	1	0	Management update: Bloom Procurement Services will be deselected as a Category A supplier at end of October 2019 as it does not fit the criteria as it is an access agreement rather than a contract for services. The process of re-scoring Konika Minolta

Department & Audit Area	Original Target Date	Previous Revised Target Date	New Target Date	Implementation Status		Management Comment / Internal Audit Comment
				Not	Partial	
						<p>began in September 2019. Evidence of performance will be gathered to support the scores that are awarded.</p> <p>Internal Audit comment: Further clarification has been requested, including a revised target timescale for demonstration of full implementation.</p>
<b>City of London Freeman's School (6 Recommendations)</b> Institutional Review - Capture of Asset Purchases	29/02/16	31/08/19	31/03/21	0	1	<p>Management update: Following staffing changes (Bursar new appointment May 2019, and resignation of Finance Manager October 2019) during 2019, this item has been identified as requiring further review and development of a schedule of spot checks. Current resourcing shortages make commencement of this activity difficult until the new Finance Manager takes up post in January 2020. Revised end date 31 March 2021.</p> <p>Internal Audit comment: Revised target timescale to be discussed with the School's Audit Liaison.</p>
Cyber Security – Digital Strategy	31/12/18	30/06/19	30/12/20	1	0	<p>Management update in respect of both recommendations: The Cyber Security Handbook drafted internally and with reference to Internal Audit and City of London was not approved by SLT as they had strong reservations about its accessibility. A rewrite of this is a major exercise and has now started. Estimated completion of the Cyber Security Policy is 30/6/20 and its implementation by 30/12/20.</p>
Cyber Security – Cyber-Related Policies	28/02/19	30/06/19	30/12/20	1	0	
Cyber Security – Penetration Tests <b>RED PRIORITY</b>	28/02/19	30/09/19	31/12/19	0	1	

Department & Audit Area	Original Target Date	Previous Revised Target Date	New Target Date	Implementation Status		Management Comment / Internal Audit Comment
				Not	Partial	
Cyber Security – Cyber-Security on SLT Agenda	31/01/19	N/A	TBC	1	0	<p>Client update: We've made space for cyber security on our SLT agenda as required. The obvious example is the USB policy implementation, which was discussed and agreed at the IT Strategy Group meeting, its implementation monitored via our IT Operations Board and it was brought to SLT for information so that colleagues were aware of what was happening. This seems to be a good example of cyber security being handled in an appropriate and systematic way.</p> <p>Internal Audit comment: Evidence has been requested to demonstrate full implementation and a revised target timescale is required for this.</p>
Cyber Security – IT Infrastructure	28/02/19	30/06/19	30/12/20	1	0	<p>Management update: The Cyber Security Handbook drafted internally and with reference to Internal Audit and City of London was not approved by SLT as they had strong reservations about its accessibility. A rewrite of this is a major exercise and has now started. Estimated completion of the Cyber Security Policy is 30/6/20 and its implementation by 30/12/20.</p>
<b>City of London Police (3 Recommendations)</b> Demand and Event Policing – Record of Event Income and Expenditure	30/09/18	30/09/19	TBC	1	0	<p>Management update: This is work in progress. “Events” is a specific agenda item for FBPs every month for meetings with services. Records will be maintained for all events, chargeable and non-chargeable. Chargeable work will be tracked separately by one dedicated FBP and invoices will be raised in a timely manner.</p> <p>Internal Audit comment: Revised target timescale required for demonstration of full implementation.</p>
Key Financial Controls – Financial Administration Guidance	31/03/19	30/09/19	TBC	0	1	<p>Management update: New systems are being implemented and will be documented as and when this work is completed.</p> <p>Internal Audit comment: Revised target timescale required for demonstration of full implementation.</p>

Department & Audit Area	Original Target Date	Previous Revised Target Date	New Target Date	Implementation Status		Management Comment / Internal Audit Comment
				Not	Partial	
Key Financial Controls – Finance Dashboard	31/03/19	N/A	31/12/19	0	1	Internal Audit comment: A revised target timescale has been supplied for demonstration of full implementation: 31/12/19.
<b>City of London School (5 Recommendations)</b> Financial Management – Inventory Maintenance	31/12/18	31/03/19	29/02/20	0	1	Internal Audit comment: A response has been received from the School setting out that the procedures covering the following have not been compiled due to resource issues.  <ul style="list-style-type: none"> <li>Identifying high value/ sensitive assets purchases and recording them within the asset registers;</li> <li>Identifying high value/ sensitive asset disposals and recording them within the asset registers;</li> <li>Checking the accuracy and completeness of asset registers.</li> </ul> <p>The Bursar has requested that the deadline for implementation is extended to February 2020.</p>
Cyber Security – Confirmation of Mandatory Corporate Policies	30/09/19	N/A	TBC	0	1	Internal Audit comment: A revised target timescale is required for demonstration of full implementation of these three recommendations.
Cyber Security – Remote Wiping	30/09/19	N/A	TBC	1	0	
Cyber Security – Mobile Device Usage Guidance	30/09/19	N/A	TBC	1	0	
Cyber Security – Penetration Testing <b>RED PRIORITY</b>	30/10/19	N/A	30/01/20	1	0	Management update: The outstanding audit points have been addressed by the School during Summer 2019. However, it has not been possible to set up a further penetration test due to other workflows in the IT department and availability of external testing firms during holiday windows. We will schedule a penetration test for the winter period which will complete this audit point. Revised target timescale for demonstration of full implementation: 30/01/20.

Department & Audit Area	Original Target Date	Previous Revised Target Date	New Target Date	Implementation Status		Management Comment / Internal Audit Comment
				Not	Partial	
<b>City of London School for Girls (18 Recommendations)</b>						
ICT Strategy, Security & Operations - Disaster Recovery Testing	11/12/15	28/02/19	TBC	0	1	Internal Audit comment: No update or evidence has been supplied in respect of these recommendations. The School has attributed this to absence of key staff during the October half term holiday.
Internal Controls – Business Cases for Non-Routine Expenditure	04/07/19	30/09/19	TBC	1	0	
Internal Controls – Minimum Value for Business Cases	04/07/19	30/09/19	TBC	1	0	
Internal Controls – Raising Purchase Orders	02/09/19	N/A	TBC	1	0	
Internal Controls – Bite Size Financial Guidance	30/10/19	N/A	TBC	1	0	
Internal Controls – Staff Awareness of Procurement Card Procedures	02/09/19	N/A	TBC	1	0	
Internal Controls – Requests for Procurement Cards	02/09/19	N/A	TBC	1	0	
Internal Controls – Asset Register Written Procedures	02/09/19	N/A	TBC	1	0	
Internal Controls – Asset Register Maintenance	02/09/19	N/A	TBC	1	0	
Internal Controls – Consistent Asset Register Format	11/07/19	30/09/19	TBC	1	0	
Internal Controls – Music Department Asset Register	02/09/19	N/A	TBC	1	0	

Department & Audit Area	Original Target Date	Previous Revised Target Date	New Target Date	Implementation Status		Management Comment / Internal Audit Comment
				Not	Partial	
Internal Controls – PE Department Stock Records	02/09/19	N/A	TBC	1	0	Internal Audit comment: No update or evidence has been supplied in respect of these recommendations. The School has attributed this to absence of key staff during the October half term holiday.
Internal Controls – Annual Physical Asset Checks	02/09/19	N/A	TBC	1	0	
Internal Controls – Revenue Project Governance Procedures	02/09/19	N/A	TBC	1	0	
Internal Controls – Written Procedures for Revenue Project Management	02/09/19	N/A	TBC	1	0	
Internal Controls – Business Case Requirements for Revenue Projects	02/09/19	N/A	TBC	1	0	
Internal Controls – Compliance with Financial Regulation 19: Inventories	02/09/19	N/A	TBC	1	0	
Internal Controls – Procurement Card Transaction Status Report	04/07/19	30/09/19	TBC	0	1	
<b>City Surveyor (1 recommendation)</b> CLFS Enabling Works – Payment Notices <b>RED PRIORITY</b>	19/08/19	N/A	TBC	1	0	Internal Audit comment: Audit follow-up testing indicated that the department is not using internal Payment Certificate Forms across all projects. The control implemented by management does not address fully the weakness raised, a revised timescale is required for demonstration of full implementation.

Department & Audit Area	Original Target Date	Previous Revised Target Date	New Target Date	Implementation Status		Management Comment / Internal Audit Comment
				Not	Partial	
<b>Community &amp; Children's Services (5 recommendations)</b>						
Housing Allocations, Lettings and Voids – Scanned Tenant Files	31/12/18	31/10/19	TBC	0	1	Internal Audit comment: no update or evidence supplied. Revised target timescale required for demonstration of full implementation.
Health and Social Care Integration: Delivery Mechanisms - Signed Contracts	31/03/19	30/06/19	TBC	0	1	Internal Audit comment: DCCS Management have previously advised that the Commissioning Team are developing a spreadsheet to record progress on new contracts and this will include regular updates and a field asking for information on the contract signing process. A revised target timescale is required for demonstration of full implementation.
Asylum Seekers – Procedures for the Procurement of Care Leaver Placements	30/09/19	N/A	TBC	0	1	Internal Audit comment: Evidence has been supplied to reflect partial implementation. Revised target timescale required for demonstration of full implementation.
Asylum Seekers – Procurement: Individual Agreements <b>RED PRIORITY</b>	30/09/19	N/A	TBC	1	0	Internal Audit comment: no update or evidence supplied. Revised target timescale required for demonstration of full implementation.
Asylum Seekers – Procurement of Semi-Independent Living Placements <b>RED PRIORITY</b>	30/09/19	N/A	TBC	0	1	<p>Management update: A full specification for Semi Independent Living placements has been drafted and the commissioning team is working with the Comptroller and City Solicitor to develop a more tailored set of terms before this document is circulated for use.</p> <p>Internal Audit comment: Revised target timescale required for demonstration of full implementation.</p>



Department & Audit Area	Original Target Date	Previous Revised Target Date	New Target Date	Implementation Status		Management Comment / Internal Audit Comment
				Not	Partial	
<b>Guildhall School of Music and Drama (8 Recommendations)</b> Student Affairs - Recording of Budget Monitoring Outcomes	28/02/19	30/09/19	TBC	0	1	Management update: Finance are still waiting for the Student Affairs Manager to come back to us with a date for a meeting. We will continue to send monthly reports and meeting requests but cannot close this recommendation until we get a response from the budget holder.  Internal Audit: Revised target timescale required for demonstration of full implementation.
Student Affairs – Review / Benchmarking of Service Provision	30/09/19	31/10/19	TBC	1	0	Internal Audit comment: no update or evidence supplied in respect of these six recommendations). Revised target timescale required for demonstration of full implementation.
Student Affairs - Service Provision Planning - Improve line of sight with Strategic Objectives i.e. by Developing Business Plan	30/09/19	31/10/19	TBC	1	0	
Student Affairs - Performance Monitoring: Action Plan	30/09/19	31/10/19	TBC	1	0	
Student Affairs - Service Provision Objective-Setting	30/04/19	31/10/19	TBC	1	0	
Production Arts Student Cash Floats - Cash Fund Reconciliations	31/10/19	N/A	TBC	1	0	
Production Arts Student Cash Floats: Amendments to the Cash Fund	31/10/19	N/A	TBC	1	0	
Income Generation - Baseline Performance & Targets	30/09/19	N/A	30/11/19	1	0	Management update: The School has advised that the Group Accountant is working with the Director of Advancement to draft a report for the November meeting of the Governing Board setting out

Department & Audit Area	Original Target Date	Previous Revised Target Date	New Target Date	Implementation Status		Management Comment / Internal Audit Comment
				Not	Partial	
						<p>the KPI's that the School will be tracking and reporting on going forward. In some cases the KPI's set out in the 2018 business plan have been superseded by subsequent events and this will be reflected in the November paper.</p> <p>Internal Audit comment: A revised target timescale has been supplied for demonstration of full implementation: 30/11/19.</p>
<b>Markets &amp; Consumer Protection (1 Recommendation)</b> Markets Fraud Risk – Fraud Awareness Training	30/11/18	N/A	31/01/20	0	1	<p>Management update: The new mandatory Fraud Awareness e-learning module has now been launched and made available to all staff. All three Market Superintendents have been asked to ensure their staff complete the module within the next three months. Once that has been done, guidelines will be put in place to ensure that staff re-take the module at appropriate intervals.</p> <p>Internal Audit comment: A revised target timescale has been supplied for demonstration of full implementation: 31/01/20.</p>
<b>Open Spaces (1 Recommendation)</b> Financial Management - Hampstead Heath Cash Handling Procedure	30/12/18	N/A	TBC	1	0	Internal Audit comment: no update or evidence supplied. Revised target timescale required for demonstration of full implementation.
<b>Town Clerk: EDO (2 Recommendations)</b> Projects / Programmes - Business Case Outline  Projects / Programmes - Quarterly Reviews	31/07/19  30/09/19	N/A  N/A	TBC  TBC	1  1	0  0	Internal Audit comment: implementation evidence required for these two recommendations. Revised target timescale required for demonstration of full implementation.
<b>Town Clerk: HR (1 Recommendation)</b> Business Travel - Purchase Supporting Documentation	31/05/18	31/10/19	31/12/19	1	0	Management update: The intranet will be updated by 01/11/19.

Department & Audit Area	Original Target Date	Previous Revised Target Date	New Target Date	Implementation Status		Management Comment / Internal Audit Comment
				Not	Partial	
						<p>The policy will be included in the Town Clerk's bulletin in December 2019.</p> <p>Internal Audit comment: A revised target timescale has been supplied for demonstration of full implementation: 31/12/19.</p>
<b>Town Clerk: Resilience (1 Recommendation)</b> Corporate Wide Emergency Planning - Emergency Management Plan	30/06/18	N/A	30/11/19	1	0	<p>Management update: The corporate emergency plan has been undergoing a review of some elements of the plan to change the format and design to make it more user friendly. For this process, an external publisher was contracted via the Communications Team. The draft plan has now been received from the publishers, there are some minor amendments, the details and format will then be finalised with the publishers. However, we are in a position to use and refer to the content of the plan if required.</p> <p>Internal Audit comment: A revised target timescale has been supplied for demonstration of full implementation: 30/11/19.</p>
<b>TOTAL</b>				<b>42</b>	<b>19</b>	

This page is intentionally left blank

**Live High Priority Recommendations at the end of October 2019**

*High Priority (Red & Amber) Recommendations:*

<b>Department</b>	<b>Red Priority</b>	<b>Amber Priority</b>	<b>Total High Priority</b>
Barbican	0	17	17
Built Environment	0	3	3
Chamberlain's IT	0	1	1
Chamberlain's Procurement	0	7	7
City of London Freeman's School	2	7	9
City of London Police	1	6	8
City of London School	1	9	10
City of London School for Girls	0	21	21
City Surveyor	2	1	3
Community & Children's Services	4	11	15
Guildhall School of Music & Drama	0	13	13
Markets & Consumer Protection	0	1	1
Open Spaces	0	1	1
SJC Foundation School	0	1	1
Town Clerk	0	8	8
<b>TOTAL</b>	<b>10</b>	<b>107</b>	<b>117</b>

This page is intentionally left blank

<b>Committee(s)</b>	<b>Dated:</b>
Audit and Risk Management Committee	19 November 2019
<b>Subject:</b> Anti-Fraud & Investigations – 2019/20 Update Report	<b>Public</b>
<b>Report of:</b> Head of Audit & Risk Management	<b>For Information</b>
<b>Report author:</b> Chris Keesing – Corporate Anti-Fraud Manager	

### **Summary**

This report provides Members with an update on the activity of the Anti-Fraud and Investigation team between 01 April 2019 and 30 September 2019.

In total 23 investigations, across all disciplines, have been completed between 01 April 2019 and 30 September 2019, with an associated value of £214,852.

Eight successful tenancy fraud outcomes have been secured during the first half of this reporting year, comprising of seven cases where property has been recovered and one where a fraudulent application was terminated. Five cases are with the Comptroller and City Solicitor for further action, for criminal or civil recovery action.

Our support for the housing divisions' tenancy audit programme has resulted in the receipt of 125 referrals in total, with two resulting in tenancies being recovered. 25 referrals are still subject to investigation.

A total of seven corporate fraud and/or conduct investigations have been concluded during the first half of 2019/20 with an associated value of £69,825. Three whistleblowing referrals have also been concluded during the same period.

In September 2019, The Anti-Fraud Team introduced a new, interactive Fraud Awareness eLearning training course, replacing the course that was endorsed by Members of this Committee in June 2013. The new Fraud Awareness eLearning course works across multiple platforms and will be reviewed every three years.

Positive feedback from delegates has been received with all advising that now they have completed the training they have a better understanding of fraud and corruption, feel confident reporting a fraud or concern and know what to do if they suspect fraud or corruption.

### **Recommendation(s)**

- Members are asked to note the report.

### **Main Report**

#### **Background**

1. This report provides Members with an update on the activity of the Anti-Fraud and Investigation team between 01 April 2019 and 30 September 2019. It also provides Members with an update against our key anti-fraud initiatives.

## Investigation Activity Summary

2. An analysis of the number of cases investigated during the first half of the 2019/20 reporting year (01/04/2019 – 30/09/2019) can be found at **Appendix 1**, showing all fraud types along with the value of frauds detected. The associated value of identified fraud from the 23 completed investigations during the first half of the 2019/20 reporting year amounts to £214,852.

## Social Housing Tenancy Fraud

3. Social housing tenancy fraud remains a key fraud risk area for the City. The team provides full investigative support across all aspects of housing, from initial applications, to the investigation of tenancy breaches and right to buy screening. Between 01 April 2019 and 30 September 2019, eight successful outcomes have been secured, comprising of seven cases where recovery of the property was secured and one case where a housing application fraud was identified.
4. In addition, we currently have two cases with the Comptroller and City Solicitor for criminal prosecution action and three cases for civil recovery action.
5. A summary of our work in this area, during the first half of the 2019/20 reporting year can be found at **Appendix 2**.
6. Where illegal occupation of City housing stock is identified and recovered, the tenancies have now been re-let to those in greater need of affordable housing.
7. The volume of Right to Buy (RTB) applications referred to the team for screening has remained consistent with 2018/19 levels, with the team screening 16 RTB applications; none of these applications were found to be fraudulent.
8. Case studies concerning recent successful cases are available to Members upon request.

## Tenancy Audit

9. We have recently commenced work to review the final tranche of Tenancy Audit referrals from the final estate inspections undertaken by the Housing Division. In total, across all the City's tenanted social housing property, 125 referrals were received by the team where there was a fraud concern. A summary of our work to date in this area can be found below:

Tenancy Audit referrals received	<b>125</b>
Tenancy Audit referrals closed – no fraud	98
Fraud identified and property recovered	2
Fraud identified and case with C&CS for consideration of further action	0
Cases still under investigation	25
<b>Total</b>	<b>125</b>
<b>Associated value where property recovered (£)</b>	<b>36,000</b>



## Corporate Anti-Fraud & Investigation Activity

10. A total of seven Corporate investigations have been concluded between 01/04/2019 and 30/09/2019, with an associated value of £69,825; this included a collaboration between the Anti-Fraud Team and the Accounts Payable Team to investigate two payments totalling £65,008 paid in error and not returned to the City of London. A case study concerning this investigation is available to Members upon request.

## Whistleblowing

11. The City's Whistleblowing Policy identifies the Head of Audit & Risk Management as one of the main contacts for reporting a concern and Internal Audit is responsible for maintaining a confidential and secure register of all concerns raised through the Whistleblowing Policy.

12. The number of referrals received via whistleblowing channels is relatively low; however, when referrals are received, they are generally of high significance leading to further investigation.

13. During the period 01/04/2019 to 30/09/2019, three whistleblowing referrals (as defined in the policy) have been received; two of these have been reviewed and closed, along with one other case from the 2019/20 reporting year. One case remains subject to investigation by the team.

14. The table below provides an overview of the allegation and outcome of the investigation:

	<b>Allegation</b>	<b>Outcome</b>
1	Corruption, Favouritism, Breach of Policy and Procedures, Misleading Members	Case fully investigated and no evidence could be found to support any of the allegations raised. Response sent setting out investigation findings.
2	Malicious behaviour by management.	Case reviewed with HR who explained that a gross misconduct investigation was proven and that the outcome was communicated to the employee.
3	Misuse of Corporate Resources	Matter passed to City Police colleagues for further investigation.

## Fraud Awareness eLearning

15. Members of this Committee endorsed the introduction of a mandatory Fraud Awareness eLearning training course in September 2013, this ensured that all staff working for the City of London had an understanding of fraud risks and would know what to do if they identified fraud and how to report it.

16. The Anti-Fraud Team have been working in collaboration with the Learning and Organisational Development Team within Corporate HR and a new, interactive Fraud Awareness eLearning training course has been released which works across multiple platforms replacing the module released in 2013.

17. In total, 3221 members of staff completed the original Fraud Awareness eLearning course between June 2013 and September 2019. The new Fraud

Awareness eLearning course was launched in September 2019 and has, at the point of writing this report, been completed by 737 members of staff.

18. The new Fraud Awareness eLearning course will be reviewed every three years.
19. The response to the new new Fraud Awareness eLearning course has been positive with 92% of delegates responding that the learning has made them think more about fraud and corruption in their area, and all respondents replying that now they have completed the training they feel confident reporting a fraud or concern, know what to do if they suspected fraud or corruption and have a better understanding of fraud and corruption.
20. The responses also show that prior to completing the learning, some staff were still not aware of the Corporate Anti-Fraud & Corruption Strategy, the Whistleblowing Policy, or how to report a fraud. There is further work to be undertaken in this area to raise awareness amongst staff and we will be taking this forward over the coming months.

## **Conclusion**

21. The team continue to provide a professional and robust anti-fraud and investigation service across the organisation. 23 investigations across all disciplines have been completed during the first half of the 2019/20 reporting year, with an associated value of £214,852.
22. Tenancy fraud continues to be high risk with eight successful outcomes secured and a further five cases with the Comptroller and City Solicitor for criminal and/or civil action. The team has also received an addition 125 referrals received from the tenancy audit team, reviewing 100 of these to date and recovering two additional tenancies.
23. Our work on corporate investigations has seen the team complete seven investigations with a value of £69,825.
24. The Anti-Fraud Team, in collaboration with the Learning and Organisational Development Team within Corporate HR introduced a new, interactive Fraud Awareness eLearning training course in September 2019; the new course works across multiple platforms and replaces the module released in 2013.

## **Appendices**

- **Appendix 1: Analysis of the number of cases investigated between 1 April 2019 and 30 September 2019 vs. 2017/18**
- **Appendix 2: Housing Tenancy Fraud Caseload Analysis 1 April 2019 to 30 September 2019.**

## **Contact:**

Chris Keesing,  
Corporate Anti-Fraud Manager  
E: [chris.keesing@cityoflondon.gov.uk](mailto:chris.keesing@cityoflondon.gov.uk)  
T: 020 7332 1278

## Appendix 1: Analysis of the number of cases investigated between 01/04/2019 and 30/09/2019 vs 2017/18.

1. The chart below provides a detailed analysis of the number of completed investigations, during the first half of the reporting year 2019/20, showing all fraud and investigation types along with the value of investigated cases, including where these can be quantified, the value of corporate and whistleblowing investigations. It also provides the previous reporting years data for comparative purposes.
2. The nature of the concerns raised under the City's whistleblowing channels mean that not all investigations completed under this discipline result in a financial value, as other outcomes such as disciplinary action, or control environment recommendations result from our whistleblowing investigations.

<b>Activity</b>	<b>Completed Investigations 01/04/2019 – 30/09/2019</b>	<b>Investigation Value (£'s) 01/04/2019 – 30/09/2019</b>		<i>Completed Investigations 2018/2019</i>	<i>Investigation Value (£'s) 2018/19</i>
<b>Social Housing Tenancy Fraud <sup>1</sup></b>	<b>7</b>	<b>126,000</b>		<i>20</i>	<i>360,000</i>
<b>Right to Buy <sup>2</sup></b>	<b>0</b>	<b>Nil</b>		<i>1</i>	<i>108,000</i>
<b>Housing Application Fraud <sup>1</sup></b>	<b>1</b>	<b>18,000</b>		<i>4</i>	<i>72,000</i>
<b>Blue Badge Fraud</b>	<b>0</b>	<b>Nil</b>		<i>1</i>	<i>575</i>
<b>Corporate Investigations <sup>3</sup></b>	<b>7</b>	<b>69,825</b>		<i>14</i>	<i>61,613</i>
<b>Council tax investigations</b>	<b>5</b>	<b>1,027</b>		<i>0</i>	<i>Nil</i>
<b>Whistleblowing Referrals</b>	<b>3</b>	<b>Nil</b>		<i>9</i>	<i>Nil</i>
<b>Total</b>	<b>23</b>	<b>214,852</b>		<i>43</i>	<i>602,188</i>

**Notes:**

<sup>1</sup> Successful possession gained, and housing application fraud identified valued at £18,000 per property/application, in-line with nationally accepted values associated with social housing tenancy fraud.

<sup>2</sup> RTB discount value: £108,000 2019/20, per property.

<sup>3</sup> Corporate Fraud Investigations include cases of fraud, corruption, theft or conduct investigated directly by Internal Audit and/or investigation supported by Internal Audit.

This page is intentionally left blank

## Appendix 2: Housing Tenancy Fraud Caseload Analysis 01/04/2019 to 30/09/2019

Housing Tenancy Fraud Case Referrals	01 April 2019 to 30 Sept 2019	01 April 2018 to 31 March 2019
Housing tenancy fraud referrals received in current year	29	55
Right to buy referrals received in current year	16	21
Housing application referrals received in current year	3	5
Cases carried forward from previous year (all disciplines)	11	14
<b>Total</b>	<b>59</b>	<b>95</b>
<b>Cases/Referrals Currently Under Investigation</b>		
Cases/referrals currently under investigation	19	13
Cases/referrals closed with no further action	27	56
Cases with Comptroller & City Solicitor for prosecution	2	1
Cases with Comptroller & City Solicitor for civil recovery	3	0
Cases with City Police for Financial Investigation	0	0
Cases where possession order granted	0	1
Cases where successful possession gained <sup>1</sup>	7	16
Cases where successful prosecution action taken	0	3
Cases where fraudulent application identified	1	4
Right to buy fraud successfully identified	0	1
<b>Total</b>	<b>59</b>	<b>95</b>
<b>Value where successful possession gained, housing application cancelled or right to buy fraud identified <sup>2</sup></b>		
	<b>£144,000</b>	<b>£540,000</b>
<b>Notes:</b>		
<sup>1</sup> Cases where successful possession has been gained will be considered for criminal action where suitable, and where offences committed are serious enough to warrant proceedings under the Prevention of Social Housing Fraud Act 2013 and/ or the Fraud Act 2006.		
<sup>2</sup> Successful possession gained value of £18,000 per property sourced from Audit Commission value of national average temporary accommodation costs to Local Authorities for one family. RTB discount value 2018/19, per property.		

This page is intentionally left blank

<b>Committee(s):</b> Audit and Risk Management Committee	<b>Date(s):</b> 19 November 2019
<b>Subject:</b> Review of Risk Management Strategy	<b>Public</b>
<b>Report of:</b> The Chamberlain	<b>For Discussion</b>
<b>Report author:</b> Paul Dudley, Corporate Risk Manager	

## Summary

At the Audit and Risk Management Committee meeting held on 16 July 2019, Members requested that the City Corporation's Risk Management Strategy be reviewed and revised and that the draft be presented to the Committee at their November 2019 meeting.

The new Strategy is not a departure from the City Corporation's existing approach, which has worked well, but does bring the Strategy up to date with the developments over the last few years. The new document contains three sections – the policy, strategy and process guide.

Both the Chief Officer Risk Management Group (CORMG) (1 October 2019) and Summit Group (23 October 2019) were consulted on the revised draft Risk Management Policy and Strategy. This document is presented to the Committee for consideration and comment. Subject to any comments the Committee may make, the Policy and Strategy will be resubmitted in final form, for approval by Summit Group in December 2019 and the Committee meeting in January 2020.

Once approved by the Committee, the Risk Management Policy and Strategy will be reviewed on an annual basis.

## Recommendation

The Committee is asked to consider and comment on the draft Risk Management Policy and Strategy document.

## Main Report

### Background

- 1 At the Audit and Risk Management Committee meeting held on 16 July 2019, Members requested that the City Corporation's Risk Management Strategy (which includes a policy statement) be reviewed and revised and that the draft be presented to the Committee at their November 2019 meeting for comment.
- 3 The new Strategy is not a departure from the City Corporation's existing approach, which has worked well, but does bring the Strategy up to date with the developments over the last few years.
- 4 The revised Risk Management Policy and Strategy consists of three sections – the policy statement, the strategy and the risk process guide. It is supported by a

range of tools and techniques located on the Risk Management intranet site. Some of these tools are already on this site although some more need to be added once approval has been given.

- a) **Risk Management Policy** - The Risk Management Policy is a (signed) statement of commitment by the Town Clerk and Chairman of the Audit and Risk Management Committee underlining the importance of risk management to the City's Corporation's corporate governance arrangements, to the delivery of corporate outcomes and departmental objectives. The document follows a similar format to the existing Policy and includes a brief statement on appetite for risk.
- b) **Risk Management Strategy** - The Risk Management Strategy builds on the previous risk management strategy setting out the formal process by which the City Corporation identifies, assesses, mitigates and reports risk. It includes a list of roles and responsibilities for those officers and groups which are integral to the effective operation of the risk management framework. In addition, the document provides guidance on the criteria to take into consideration when to escalate or de-escalate a risk from one organisational level to another as well as applying a risk appetite for risks at corporate level.
- c) **Risk Management Process guide** - This guide explains the five steps in the risk management process, suggesting various tools to use as well as highlighting the key outputs at each step. It is largely based upon the existing version of the process including the use of the 4 x 4 risk scoring matrix. The guidance aims to provide officers with a consistent approach to managing risks within the City Corporation.

### **Best practice documents**

- 5 The revised City Corporation Risk Management Policy and Strategy takes into account the ISO Risk Management Standard:2018 and guidance from the HM Orange Book 2019, the HM Management of Risk Guide 2011 as well as other public sector risk management strategies.

### **Conclusion**

- 6 The existing City Corporation Risk Management Strategy has been reviewed and revised. A draft City Corporation Risk Management Policy and Strategy was considered by CORMG on 1 October 2019 and the Summit Group on 23 October 2019). The Audit and Risk Management Committee are requested to consider and comment on the document. The final version of the Policy and Strategy will be presented to Summit Group in December 2019 and the Committee in January 2020 for approval. Once approved, the document will be reviewed on an annual basis.



**Appendices:**

**APPENDIX 1 – City Corporation’s Risk Management Policy and Strategy (draft)**

**Contact:**

**Paul Dudley**

Corporate Risk Manager

02073321297

Paul.Dudley@cityoflondon.gov.uk

This page is intentionally left blank



# City of London Corporation

RISK MANAGEMENT POLICY AND STRATEGY (INCLUDING  
THE RISK MANAGEMENT PROCESS GUIDE)

DUDLEY, PAUL

DRAFT

11 OCTOBER 2019

## Contents

Section	Page no
<b>1. Risk Management Policy Statement</b>	
<b>2. Risk Management Strategy</b>	
1. Introduction	
2. The risk Management Framework	
3. Levels or organisational risk	
4. Review and reporting of risk registers	
5. Risk escalation criteria	
6. Risk appetite application	
7. Review of the effectiveness of the risk management framework	
8. Roles and responsibilities	
<b>3. Risk Management process Guide</b>	
1. Introduction	
2. Where and when should risk management be applied	
3. The Risk Management process	
4. How to apply risk management	

**Note content page numbers to be added in final version**

## SECTION 1 – Risk Management Policy Statement

### 1.0 Introduction

- 1.1 The City of London Corporation is the governing body of the Square Mile dedicated to a vibrant and thriving City, supporting a diverse and sustainable London within a globally successful UK. It aims to contribute to a flourishing society, support a thriving economy and shape outstanding environments by strengthening the character, capacity and connections of the City, London and the UK for the benefit of people who live, learn, work and visit here. Its unique franchise arrangements support the achievement of these aims.
- 1.2 The Square Mile is the historic centre of London and is home to the ‘City’ – the financial and commercial heart of the UK. The City Corporation’s reach extends far beyond the Square Mile’s boundaries and across private, public and charitable and community sector responsibilities.
- 1.3 The City of London Corporation (“the City Corporation”) is responsible for ensuring that its business is conducted in accordance with the law and proper standards of governance; 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.
- 1.4 In discharging this overall responsibility, the City Corporation 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.
- 1.5 Well managed risk taking should be recognised by all managers and staff within the City Corporation as being fundamentally important to effective service delivery, maximising opportunities for innovation in service development and adapting to change. It underpins the City’s values of Relevant, Reliable, Responsible and Radical.
- 1.6 Only by active management of risks will the City Corporation be able to meet its corporate aims and outcomes which in turn will enhance the value of services provided to the City.
- 1.8 The City Corporation aim’s to be an exemplar of good practice and continue to meet its statutory responsibility to have in place satisfactory arrangements for managing risks, as laid out under regulation 4 of the Accounts and Audit Regulations 2015:

**“The relevant body is responsible for ensuring that the financial management of the body is adequate and effective**

**and that the body has a sound system of internal control which facilitates the effective exercise of that body's functions and which includes arrangements for the management of risk.”**

- 1.7 The effective management of risk is at the heart of the City Corporation's approach to delivering cost effective and valued services to the public as well as being an important element within the corporate governance of the organisation.
- 1.8 Consequently, all staff and managers must understand the importance of well thought through and managed risks in decision making and adopt an approach that will help identify, assess, acting to manage them and review progress.

## **2.0 The Policy Statement**

- 2.1 The City Corporation recognises and accepts its legal responsibility<sup>1</sup> to manage its risks effectively, has adopted a proactive approach to well thought through risk taking (balancing opportunity and risk) to achieve its objectives and enhance the value of services to the Community.
- 2.2 The overall aim being to increase the likelihood of delivering on the Corporate Outcomes and key corporate and service objectives by supporting innovation, encouraging creativity, minimising threats and providing an environment that risk management is seen as adding value to service delivery.
- 2.3 This policy applies to all departments and institutions of the City Corporation.

## **3.0 Policy Objectives:**

- a) Ensure that risk management effectively supports the **corporate governance** of the City Corporation.
- b) Maintain and Improve **leadership** and **collaboration** of risk management activity across the City Corporation.
- c) **Integrate** risk management into the **culture** of the City Corporation as well as to its key management processes including corporate and service business planning processes, programmes, projects, performance and financial management;
- d) Ensure that the **risk management process** for identifying, evaluating, controlling, reviewing, reporting and communicating risks across the

---

<sup>1</sup> Accounts and Audit Regulations 2015 (as amended)

City Corporation is in line with **Best Practice**, consistently applied, understood and owned by all relevant staff;

- e) Ensure that the Summit Group, Grand/Service Committees and the Audit and Risk Management Committee, external regulators and other stakeholders obtain necessary **assurance** that the City Corporation is managing and mitigating its business risks effectively:
- f) **Continuously improve** risk management through learning and experience and actively **Communicate** to the City Corporation's risk management approach to all employees and stakeholders.

#### **4.0 These key objectives will be achieved by:**

- Ensuring that the City Corporation's risk management strategy (which includes clear roles and responsibilities) is in line with current standards and best practice guidance.
- Demonstrating effective management, reporting and challenge of risks at both Officer and Member levels. This provides assurance to external regulators, the public at large and other stakeholders that the City Corporation is managing /mitigating its risks and in line with good corporate governance practice.
- Complying with all relevant statutory requirements.
- Providing opportunities for shared learning and training on risk management across the City Corporation.
- Embedding, supporting and promoting effective risk management.

#### **5.0 Appetite for risk**

5.1 The City Corporation will minimise unnecessary risk and manage residual risk to a level commensurate with its status as a public body so that:

- The risks have been properly identified and assessed;
- The risks will be appropriately managed, including the taking of appropriate actions and the regular review of risk(s);

5.2 The City of London Corporation will also positively decide to take risks in pursuit of its strategic aims where it has sufficient assurances that the potential benefits justify the level of risk to be taken.

#### **6.0 Roles and Responsibilities**

6.1 Management and staff should be familiar with, and competent in, the application of the City Corporation's risk management policy, and are accountable for the delivery of that policy within their areas of responsibility. A full set of roles and responsibilities is set out in Risk Management Strategy.

**7.0 Review**

7.1 This policy will be reviewed and, where appropriate, updated, on an annual basis.

Approved:

Signed.....  
Town Clerk

Signed .....  
Chairman of the Audit and Risk  
Management Committee

Date: .....

DRAFT



## **SECTION 2 – Risk Management Strategy**

### **2.0. Introduction**

The aim of this risk management strategy is to set out a formal and structured approach to identifying, assessing, managing and reporting risk within the City Corporation (known as the risk management framework). It should be read in conjunction with the Risk Management Policy Statement as well as the risk management guidance for officers.

The following sections include:

- a description of the components of the risk management framework,
- the levels of risk that the City Corporation has identified, the reporting arrangements including those to Grand Committees,
- criteria for escalating risks from one organisational level to another and applying the City Corporation's risk appetite to corporate risks.
- A list of the roles and responsibilities for those groups and officers involved in the risk management framework.

By adhering to this strategy, the City Corporation will be better placed to meet all its Corporate Outcomes and objectives in an efficient, effective and timely manner.

Every risk is linked to a business objective and this strategy will help enforce a proactive stance to managing these risks, ensuring that less time is spent reacting to situations and more time is spent taking advantage of opportunities.

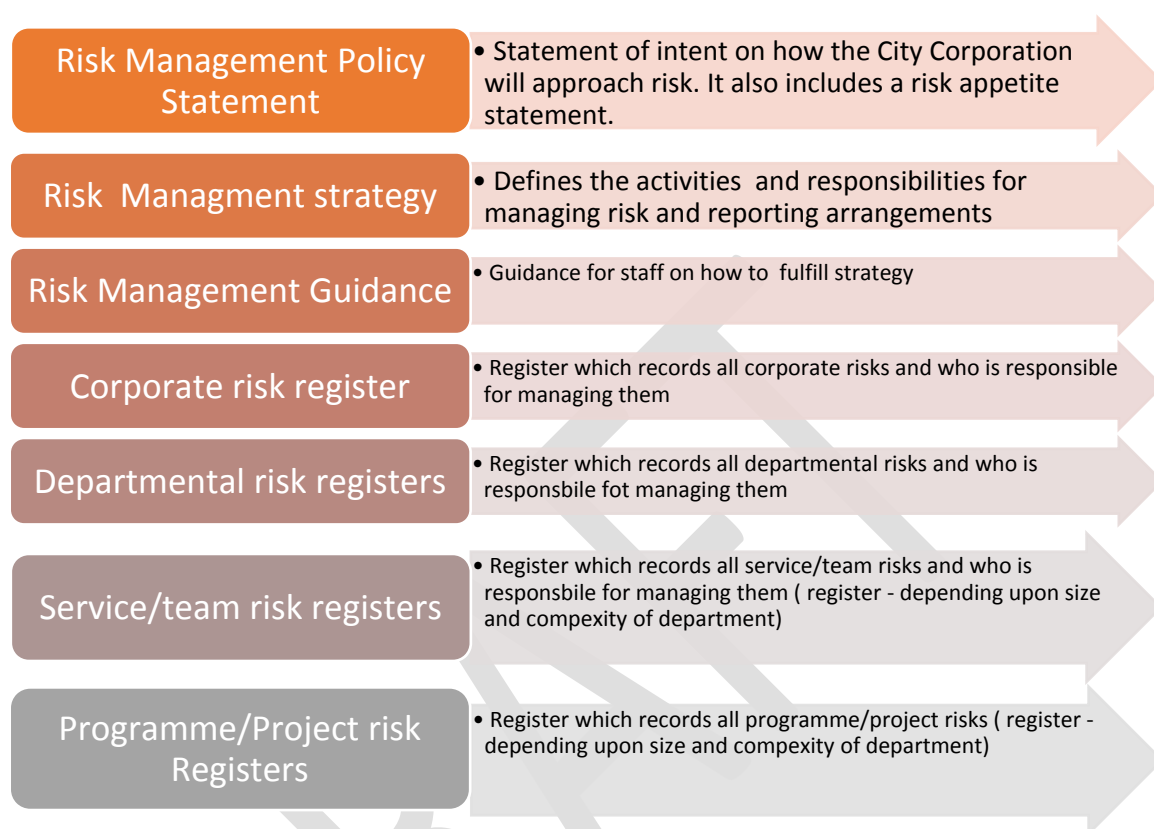
The City Corporation's risk management framework is an integral part of the City Corporation's overall corporate governance arrangements as well as supporting the delivery of the Corporate Plan.

Listed below are some of the benefits of successfully implementing this strategy:

- Protecting and enhancing the City of London Corporation's reputation
- Improve organisational resilience
- Increase the likelihood of achieving its goals and delivering outcomes
- Improve the identification of opportunities and threats
- Improve governance, stakeholder confidence and trust
- Establish a reliable basis for decision making and planning
- Effectively allocate and use resources for risk mitigation

## 2. The risk management framework

The framework consists of the following components:



## 3. Levels of organisational risk

To ensure that risk is managed at the appropriate level within the City Corporation the following levels of risk have been identified:

**Corporate** - if they occurred, would have a significant impact on the City Corporation as a whole (or significant part of) and/or the successful delivery of its corporate outcomes and its ability to exercise its functions;

**Departmental** - if they occurred, would seriously inhibit the achievement of the aims and objectives of the department. They differ from Corporate risks in that they usually only impact on one department, rather than cutting across several departments;

**Service** – if they occurred would usually concern failure to achieve service objectives. Service risks are those concerned with maintaining an appropriate level business service to existing and new service users.

**Team** – those risks concerned with team related objectives. These will be lower order risks, often those regarded as business as usual.

**Programme/Project** - their impact is limited to the programme/project's outcomes, budget, or timescales.

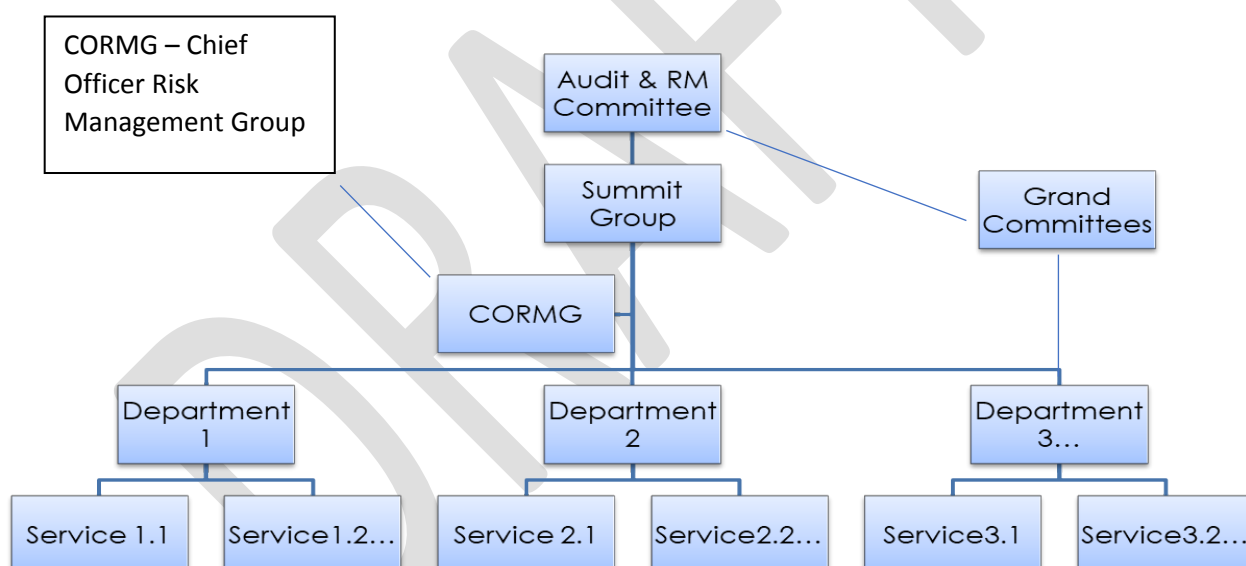
#### **4. Review and reporting of risk registers**

The following section outlines the reporting arrangements for these levels of risks

The diagram below illustrates the reporting lines from service/team level to departmental and corporate levels. Below is a set of criteria which provides guidance on escalating/de-escalating a risk from one level to another.

There is a cyclical quarterly reporting process that is now embedded within the City Corporation. The diagram below shows the hierarchy of reporting lines from departments to Committees.

The following outlines the reporting arrangements for the levels of risks:



**Corporate risks** – all corporate risks must be owned by a Chief Officer and as such should be reviewed and updated, together with their department's risks, on at least a quarterly basis. They should be reviewed by the departmental management team.

Chief Officers who own corporate risks must report them to their relevant service committee/Grand Committee<sup>2</sup> at least quarterly (although for schools this is termly). The format of this report has been agreed by Summit Group and available on the ColNet risk management page.

Corporate risks are reported quarterly to the Chief Officer Risk Management Group (CORMG) who work on behalf of the Summit Group, to review all

<sup>2</sup> CoL Reporting risk information to Grand Committees

corporate risks as well as make recommendations for new corporate risks received from Chief Officers.

Summit Group subsequently receive a quarterly risk update report and may approve new risks to be added or existing risks to be escalated on to the corporate risk register or de-escalated to the relevant departmental risk register.

The quarterly risk report is presented to the Audit and Risk Management Committee by the Chamberlain. Any new corporate risks must be endorsed by this Committee.

**Departmental** - departmental risk registers must be reviewed on at least a quarterly basis at their respective Departmental Management Team Meeting (DMT).

They may also take the opportunity to any new identify new risks as well as recommending to CORMG, departmental level risks which may to be suitable for inclusion in the Corporate Risk Register.

The Chief Officer is responsible to approving recommendations for a departmental risk to be considered as a corporate risk by CORMG.

Departmental risks, together with any corporate risks owned by the department, must be reported their respective Grand /Service Committee on at least a quarterly basis. (Note, the three schools report termly)

The Grand/Service Committee may make recommendations to the Audit and Risk Management Committee in respect of existing corporate/departmental risks or other matters for their consideration.

All top red departmental risks are reported, at the same time as all corporate risks, to CORMG. These risks are also included in the quarterly risk updates to Summit Group and the Audit and Risk Management Committee.

**Service** – within each department there will be individual divisions, groups or functional areas. For this purpose, these are known as services and each may have a service level risk register. (Note that some departments are relatively small and may not require service risk registers). Service level risk registers must be reviewed at least quarterly by service management team meetings. Risks may be recommended for escalation to the departmental management team to consider for inclusion in the departmental risk register.

**Team** – within each service area there may be individual teams. Team level risk registers, where they exist, should be reviewed quarterly by the team management team.

**Programme/Project** – Programme/Project-related risks are identified from the outset during the initial risk assessment. Further risk assessments are conducted should be undertaken at the beginning of every new stage of the project. Regular project team meetings are used for monitoring progress in managing these risks as well as horizon scanning for project risks. Project risk guidance is available on the CoLNet Project Management intranet page.

## **5.Escalation criteria**

Risks may be escalated or de-escalated from one level organisational level to another (e.g. from departmental to corporate level). The guidance below sets of the factors to be taken into consideration when escalation/de-escalation should occur.

A risk may be moved to a higher level in the organisation (escalated) for the following reasons:

- The risk becomes unmanageable at current level
- The risk is outside of the appetite boundaries (see para 6 below)
- The risk remains very high even after control measures have been fully implemented
- The risk impacts on more than one department/functional area
- The risk is directly related to an organisational objective

## **De-escalation**

A risk may be moved to a lower level in the organisation (de-escalated) for the following reasons:

- The risk can be controlled and managed at a lower level
- The risk rating has decreased significantly or is not considered to be critical to the achievement of a corporate /departmental objective.
- The risk is below appetite boundaries (see para 6 below).
- The risk will only affect one department/project or programme/functional area and is better controlled locally.

**Note:** Escalation/de-escalation of a risk is not automatic and will depend upon the judgement of senior management or senior management groups as to whether this should take place. There may be reasons why a risk should remain at a particular level e.g. it's the level best placed manage it.

## **6.Risk appetite**

The City Corporation in its Risk Management Policy outlined in broad terms its approach to taking risk (i.e. Risk appetite) in that it will seek to minimise taking any unnecessary risks reduce risk to an acceptable level to a public body. It will also seek to take risks to achieve its strategic /corporate outcomes/objectives, but these will be well considered and thought before such risks were taken.

Risk appetite is defined as *“the amount of risk and organisation is willing to accept”* so by articulating how much and type of risks which are acceptable it provides a basis for making judgements on the balance of the benefits and the taking of the risk.

The City Corporation has set risk appetite levels for ten categories of risk and they must be applied to all corporate risks. The following diagram shows relative risk appetites for each of these categories of risk.

Risks which are scored in the shaded area would be regarded as above risk appetite.

	1 - Negligible				2 - Low		3 - Moderate	4 - High		5 - Very High
	1	2	3	4	6	8	12	16	24	32
Financial	Green	Green	Green	Green	Yellow	Yellow	Yellow	Dark Red	Dark Red	Dark Red
Compliance & Regulatory	Green	Green	Green	Green	Yellow	Yellow	Dark Red	Dark Red	Dark Red	Dark Red
Contractual & Partnerships	Green	Green	Green	Green	Yellow	Yellow	Dark Red	Dark Red	Dark Red	Dark Red
Health & Safety, Wellbeing	Green	Green	Green	Green	Yellow	Yellow	Dark Red	Dark Red	Dark Red	Dark Red
Safeguarding	Green	Green	Green	Green	Yellow	Yellow	Dark Red	Dark Red	Dark Red	Dark Red
Innovation	Green	Green	Green	Green	Yellow	Yellow	Yellow	Dark Red	Dark Red	Dark Red
Technology	Green	Green	Green	Green	Yellow	Yellow	Yellow	Dark Red	Dark Red	Dark Red
Environmental	Green	Green	Green	Green	Yellow	Yellow	Dark Red	Dark Red	Dark Red	Dark Red
Physical Security	Green	Green	Green	Green	Yellow	Yellow	Dark Red	Dark Red	Dark Red	Dark Red
Reputational	Green	Green	Green	Green	Yellow	Yellow	Dark Red	Dark Red	Dark Red	Dark Red

The risk appetite levels are indicative given the spread and complexity of risks within each category. These indicative risk appetite levels will be used for risks will are included on the corporate risk register only.

Detailed guidance on the application of the risk appetite process is available on CoLNet.

For risks below corporate level, officers must have regard to the indicative risk appetite ratings above when determining whether to escalate or de-escalate a risk

**7. Effectiveness of the City Corporation’s risk management framework**

The City Corporation will periodically review the effectiveness of its risk management framework through either an external benchmarking exercise or review, internal audit review or self-assessment. The Policy and Strategy will be reviewed annually.

## **8. Roles and responsibilities**

The following sets of the roles and responsibilities of officers and groups within the risk management framework.

### **Court of Common Council**

- To receive annual assurance from the Audit and Risk Management Committee on the effectiveness of the City Corporation's risk management framework and its application.

### **Audit and Risk Management Committee**

- Provide assurance to the Court of Common Council on the effectiveness of the risk management framework and its application. (The Chairman is the Member Risk Champion).
- Review the effectiveness of risk management arrangements · Provide comment and challenge on risk management activity and progress.

### **Grand Committees/Service Committees**

- Oversee the significant risks faced by Departments in the delivery of their service responsibilities.

### **Summit Group**

- Promoting, steering and monitoring risk management for the Corporation. The Chief Officers Summit Group oversees the strategic elements of risk management.
- Overall accountability for risk management across the City Corporation including ensuring the corporate risk register is a live and up to date record of the current risk exposure
- Set the tone for risk management, promote the benefits of effective risk management and lead by example in embedding the risk management framework
- Regularly discuss and review the corporate risk register and associated risk reports.

### **Chief Officer Risk Management Group (CORMG)**

On behalf of Summit Group:

- To review and scrutinise all Corporate and Top Red Departmental Risk Register on a quarterly basis or more regularly if required.
- To assure the Summit Group that there are robust and effective risk mitigation strategies and actions in place to manage these risks.

- To review any risk, which is recommended by a Chief Officer, to be added to the corporate risk register and make a recommendation to the Summit Group for inclusion/non-inclusion.
- To receive suggestions made by the Audit and Risk Management Committee on areas of corporate risk that need further consideration.
- To keep under review the outcome of the Audit and Risk Management Committee Risk Challenge sessions and consider any wider corporate lessons learnt.

### **Chamberlain (the City Corporation's lead officer for risk management)**

- Overall leadership for the effective delivery of the City Corporation's risk management function in accordance with industry best practice.
- Ensure the risk management framework is aligned and embedded with the City Corporation's approach to and disciplines for sound corporate governance and strong internal control.
- Advice on the development of the City Corporation's risk management framework
- Review and sign off updates to the City Corporation's risk management framework.

### **Chief Officers**

#### **(Extract from Financial Regulations)**

Chief Officers must have regard to the requirements and /or guidance issued by the Chamberlain and adhere to the City's Risk Management Policy and Strategy.

Specifically, Chief Officers are responsible for:

- Ensuring that risk management is integrated into business planning, programme and project management and finance planning.
- Ensuring that there are appropriate management arrangements for the continuous identification, assessment, mitigation, monitoring and reporting of risk within the department.
- Maintaining corporate and departmental, service, team risks on the corporate risk system and use system generated reports for management and Committee reporting purposes.
- Reporting their corporate and departmental level risks to their relevant Committee(s) in accordance with the Guidance on reporting risk information to Grand Committees.
- Appointing a senior officer to act as the departmental risk co-ordinator to promote effective risk management within the department, liaise with the Corporate Risk Manager and ensures it complies with the City Corporation's Risk Management Policy and Strategy.



- Reducing the risk of significant service disruptions by ensuring that they have in place appropriate and robust business continuity plans.

### **Departmental Management Teams (DMT)**

- Ensure adherence with the Risk Management Policy and Strategy
- Champion the benefits of effective risk management
- Take ownership for risks within their function and ensure risk registers are regularly discussed, reviewed, updated and escalated as appropriate

### **Service Managers**

- Manage risks effectively in their service area, in accordance with the risk management framework
- Ensure their staff have appropriate understanding and training on risk management
- Champion the benefits of risk management across their service and communicate the corporate approach to managing risk.
- Manage service risk and the risks in accordance with the City Corporation's Risk Management Policy and Strategy;
- Escalate serious risks to the departmental management team as appropriate.
- identify training needs; and
- Take account of risk management issues when setting staff performance targets.

### **Risk Management Group**

To assist in developing and embedding the City of London Corporation's risk management framework, promoting the development of consistent and effective risk management across the organisation. This Group provides a forum to share best practice relating to the identification, monitoring and mitigation of risk.

### **Departmental risk co-ordinators**

- Provide risk management support for their functions
- Cascade, communicate and promote the risk management framework as directed by the Corporate Risk Manager to drive consistency across the organisation on the management of risk.
- Attend Risk Management Group meetings.
- Support updating of departmental risks on to the corporate risk management information system.

### **Corporate Risk Manager**

- Develop guidance, tools and training to support the business to manage risk effectively in accordance with the risk management framework.
- Embed the Risk Management Policy and Strategy and process to drive consistency in its application
- Provide support and training on the risk system and wider risk training.
- Provide assurance, support and challenge to the business on all areas of business risk management.
- Report on corporate and other risks to the Audit and Risk Management Committee and support the work of the Committee in its risk management role.

### **Programme and project managers must:**

- Follow the Project risk management guidance. (This is currently being developed as part of the Project Management Academy project)

### **Risk owners must:**

- seek out relevant expertise to help in the assessment of risk and appropriate control measures;
- review and report on the proximity and status of assigned risks;
- identify risk action owners for implementing control measures; and
- escalate risks to the directorate or corporate level as and when necessary.

### **Risk action owners must:**

- put in place actions to control risks, drawing on the advice of relevant experts;
- monitor risk and control measures; and
- feedback on the progress in implementing controls and their effectiveness.

### **Internal Audit is expected to:**

- use risk assessment to inform its annual audit plan;
- carry out risk-based audits, evaluating controls and providing an opinion of levels of assurance;
- carry out periodic audits to test the suitability and implementation of the risk management framework; and
- make recommendations for improving risk management practices.

## **Employees**

- understand the City Corporation's approach to risk management;
- make active and effective use of risk management in their work;
- Suggest new risks to their managers

DRAFT

## Section 3 – Risk Management Process Guide

### Introduction

This guide outlines the risk management process adopted and used by the City of London Corporation. It should be read in conjunction with the City Corporation's Risk Management Policy Statement and Strategy.

This guide will be useful for all staff to gain an understanding of the City Corporation's risk management process. For managers it should help them to create some time and space to anticipate, plan effectively, act proactively and deliver on their objectives and report progress in managing risks to higher levels of management.

It outlines the definitions of risk and risk management as well as explaining the five key steps in the cyclical risk management process, the tools that may be helpful in each step, includes the City Corporation's risk matrix as well as a glossary of terms.

This guide is supported by a range of tools and other resources on the CoINet risk management intranet site.

### Where and when should risk management be applied?

Risk management can be applied to all business activities for example in setting strategic aims and objectives, organisational change, business planning, programme/project planning, options appraisals, procurement, commissioning, change programmes, improvements in services, projects and programmes.

The appropriate risk management approach depends upon the importance of the planned business activity to the achievement of City Corporation outcomes/ departmental objectives. The more important the planned business activity the more rigorous and robust the risk management approach needs to be.

The City Corporation's risk management framework sets out the formal process for the application of risk management to business risks.

### The Risk Management process

**What is 'risk'?** Simply put a risk is a potential future event that could affect the delivery of one or more objectives. The City Corporation has adopted the following formal definition of risk<sup>3</sup>;

***“The effect of uncertainty on objectives”***

---

<sup>3</sup> ISO 31000:2018 Risk Management

This guidance focuses on the uncertainties which potentially could have a significant impact on the achievement of the City Corporation’s objectives and the stakeholder’s confidence in the way the City Corporation delivers its services (i.e. the uncertainties that matter).

In managing risk, the City Corporation seeks to minimise, though not necessarily eliminate, threats as well as maximise opportunities - (see the City Corporation’s risk management policy).

### What is risk management?

Risk management is an umbrella term for the identification, assessment and control of risk. The City Corporation have adopted the following formal definition<sup>4</sup>:

***“coordinated activities to direct and control and organization with regard to risk”***

Risk management is a cyclical five-step process that sets out to control the level of risk and to reduce its effects.

The five-step risk management process is described briefly below but is set out in more detail later in this document.



Fig 1 – The Five Step Risk Management process

### Brief overview the steps in the risk management process

**Clarify objectives:** Understanding the context of the planned business activity (e.g. objectives within a business plan) is the first step – the aim being to provide sufficient information on what needs to be achieved. This would include, for example, ensuring that the objectives are clear, agreed and understood by all stakeholders, determining the level of detail required by the

<sup>4</sup> ISO 3100:2018 Risk Management

risk process, the degree of risk (how much risk do we want to take) of the planned business activity and strategic importance.

**Identify risks:** This step involves identifying the risks that could adversely impact on the success of the planned business activity. Having clear and concise risk descriptions is essential for the following steps.

**Assess risks:** The significance of the identified risks should be assessed so they can be prioritised. Assessment is undertaken using the City Corporation's criteria for likelihood and impact (see appendix 2).

**Address:** This step involves developing actions that will influence either the likelihood or impact (or both) of the risks occurring. These actions need to be appropriate, achievable and affordable. The risk should be modified as a result of the actions taken.

**Implement, Monitor and review:** The identified actions must be implemented. Progress in managing risks as well as identifying new risks must be assessed, monitored, and reviewed/reported regularly at management meetings and where appropriate at Committee meetings. If necessary, new risks and actions may be added and existing risks/actions removed.

## How to apply risk management

This section provides guidance on the use of a risk management process that can be applied to activities at corporate, departmental, service and team levels within the City Corporation.

It needs to be applied sensibly and the level of risk management should be proportionate to the risks and the importance of achieving the planned objectives.

The five-step risk management process is explained detail below together with the tools that would be useful and the key outputs from each step.

To assist with a successful use of this process several specific tools have been produced. Information about each tool is included on the Risk Management Intranet page on ColNet.

### Step 1: Clarify Objectives

It is difficult to think about risks in isolation, so the first step is to be clear about the objectives and key deliverables and other internal and external factors that may affect the delivery of the planned activity.

This will include an understanding of:

- The planned activity's objectives and what success will look like;

- The scope of the activity;
- The assumptions that have been made;
- The internal and external stakeholders and their relative influence
- The external factors that might affect the planned activity
- The City Corporation and its capabilities, as well as its objectives and strategies that are in place to achieve them.

## Tools

The tools that will be helpful include:

- PESTLE (Political, Economic, Social, Technological, Legal and Environment) analysis (External risks)
- SWOT (Strengths, weaknesses, opportunities, threats) analysis (internal risks). This will help highlight potential risk areas that need to be addressed.

Reference to internal compliance documents such as financial regulations, contract regulations as well from external sources – regulations, best/ practice guidance, professional/industry standards etc may also be useful at this stage.

The key output from this stage should be a clear understanding about the activity's objectives, some of the key external and internal issues including stakeholder concerns and the likely risk management approach required.

## Step 2: Identify (and Analyse) risks

The risk identification step is focussed on the risks (positive or negative) to achieving the planned activity's objectives.

Consultation is likely to be needed with staff/managers who have a good understanding of the business activity and other stakeholders, asking the following questions:

- What might prevent the achievement of the stated objectives?
- Has it gone wrong before?
- Who should own this risk?
- When should we start managing this risk?
- How and when can the risk happen?

It may also help to think about the sources of the risk for example; the introduction of new legislation/regulation, budget savings, new technology, and new ways of working, may all give rise to risks. Using the headings as a prompt to think about the things that could get in the way will be a fruitful way to identify risks.

An example prompt list to identify risks is set out below.

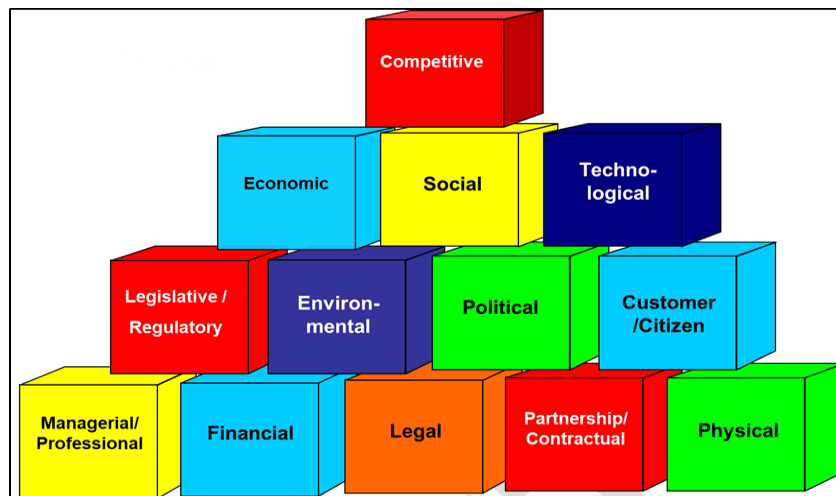


Fig 2 – Example risk prompt list

During the identification stage the following information needs to be gathered:

- A set of risks that have been described clearly and plainly, using the cause, the 'risk event' and the potential effects statement. An example is set out below:

**Risk Title:** Minibus fleet

**Cause:** As a result of lack of capital funding to replace the ageing minibus fleet

**Risk event** there is a risk that current vehicle reliability levels will fall in the next 12 months,

**Effects:** leading to higher vehicle maintenance costs, increased pressure of revenue budgets, client service disruption and increased vehicle hire costs,

- The nature of the risk – for example, political, financial, reputation, and more; and
- The name of the individual taking responsibility for the risk (i.e. the risk owner).

### Tools

There are various tools that can be helpful identifying risks including horizon scanning, risk check lists, prompt lists, one to one interviews with key staff.



The key output is a list of risks (described in the cause- risk event -effect statement) produced that are aligned to the planned activities objectives and each with a named risk owner. Risks should be recorded on a risk register. The City Corporation uses a risk management information system to record and report its business risks.

### Step 3: Assess Risks (4x4)

Every risk should be assessed to help determine how much management attention is given to managing the risk. This is done by ranking the risks with a set of scores determined by their individual likelihood (how likely is it for that risk to occur?) and impact (what is the consequence of the risk occurring?) rating.

The City of London Corporation uses a 4-point scale and the multiple of the likelihood and impact give us the risk score, which is used to determine the risk profile. This is explained in the quick risk management guide location on the risk management page - ColNet

Scoring risk is best done with those stakeholders who have a good understanding of the planned activity and coming to a consensus. Scoring risks in this manner can help avoid bias and improve ownership of the identified risks.

Risks need to be scored based on current risk (i.e. the risk score as of today and considering existing controls) and target risk score (the target risk score to be achieved by a certain date after the completion of all related actions). Both risk (current and target) scores need to be added on the risk register.

By plotting the current risk score on the risk matrix (Fig 3 below) it is possible to determine a ranking by risk score of the identified risks. The more important the risk, the more management action will be required.

<b>Likelihood</b>	Likely (4)	4	8	16	32
	Possible (3)	3	6	12	24
	Unlikely (2)	2	4	8	16
	Rare (1)	1	2	4	8
		Minor (1)	Serious (2)	Major (4)	Extreme (8)
		<b>Impact</b>			

Fig 3 – The City Corporation’s risk matrix

The red, amber and green (RAG) ratings have the following meanings:

- Red - Urgent action required to reduce rating.
- Amber - Action required to maintain or reduce rating.
- Green - Action required to maintain rating

**Tools**

The key tool to use is the City Corporation’s risk matrix.

The key outputs from this stage include a list of risks with a scored level of risk added to the risk register, and a consequent understanding of their relative priority for further action.

**Step 4: Address Risks**

Without this step, risk management would be no more than a bureaucratic process. Addressing risk involves taking practical steps to manage and control it.

Not all risks need to be dealt with in the same way. The common risk responses are outlined below should help in considering the range of management responses available when responding to risks.

Importantly, when agreeing actions to control risk, consideration is required on whether the actions themselves introduce new risks (i.e. consequential risks).

**Management responses**

When managing risks, the actions that are put in place should help to effectively reduce the risk to a manageable level.

There are four approaches that can be taken when deciding on how to manage risks:

<p><b>Accept:</b> An informed decision to accept the likelihood and consequence of a particular risk, e.g. the ability to do anything about some risk may be limited, or the cost of taking any action may be disproportionate to the potential benefit, or in terms of the City</p>	<p><b>Transfer:</b> Shifting the responsibility or burden for the loss to another party, e.g. through insurance. Note this should be used with caution -- it is often impossible to transfer a risk entirely. This is particularly true where a service is outsourced. The operational and financial risks may lay with the contractor. In the event of poor</p>
------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Corporation risk appetite the risk may be manageable.	service there may be a reputational impact on the City Corporation.
<b>Avoid:</b> An informed decision not to become involved in a risk situation. For example -the City Corporation may not be out to avoid risks associated with its statutory functions.	<b>Reduce:</b> A selective application of management action, by applying internal control to reduce either the likelihood or the impact, or both, designed to contain risk to accept levels, e.g. mitigation action, contingency planning.

**In most cases, the chosen option will be Reduce.**

### **Identifying actions – Reduce option response**

All risks identified and assessed need to be reviewed to determine what actions need to be put in place to mitigate them (either to prevent them occurring or lessen the effect).

There could be several actions identified for each risk – usually no more than 4 or 5- which will help reduce the risk. Actions should be written as a SMART statement for inclusion in the risk register. For example: “Prepare a detailed communication plan for approval by the project manager by (insert date).”

For each action there needs to be an action owner, that is someone responsible for one or more actions needed to mitigate the risk and to report on progress, usually to the risk owner.

**Effective risk management is taking well thought through risks and balancing them against the benefits and costs.**

#### **Tools**

The tool to be used in this process is the above table which shows the options for treating a risk and describing action using the SMART statement.

The key outputs from this stage are that a completed risk register will have been produced showing the related actions to each risk with an identified risk owner. The register may also show where risks are complex and may require additional actions. As a result, there will be an overall appreciation of the total risk exposure of the planned business activity.

## Step 5: Monitor, Review and Report

The primary purpose of this stage is to ensure that the planned actions are implemented, monitored for effectiveness and corrective action is taken where responses do not match expectations. They must also be reported to the appropriate management level or Grand Committee, where appropriate.

Both risks and the effectiveness of their related actions can and do change. It's important to ensure that they are regularly reviewed and amended to meet the changing risk environment. New risks and actions may be required to address new threats identified at this stage.

At the same time as reviewing the risks it can be helpful to check the corporate and departmental performance indicators as they can act as an early warning of a risk increasing or decreasing.

### Tools

. The key tool will be the completed risk register together with the report format used for reporting risk information to senior management and where appropriate Grand Committees .

The key outputs from this stage are that risks, and related actions have been thoroughly reviewed and amended as appropriate. This may result in some existing risks and actions being removed or new risks/actions being added. Assurance that the actions currently being undertaken are effective and making good progress in line to the target completion date.

In addition, the risk register has been reported in a timely manner to the appropriate levels of management and where appropriate to the relevant Grand Committee. There is guidance for Chief Officers for reporting their corporate and departmental level risks to their appropriate Grand Committee.

### References:

This revised guide draws upon the City Corporation's Risk Management Strategy 2014 as well as best practice and various internal and external publications including CoL financial regulations, the ISO Risk Management:2018, HM Orange Book (2004 and 2019) and HM (OGC) Management of Risk 2010 and other public sector risk management guides.

## Glossary

**Acceptance** - an informed decision to accept the likelihood and impact of a risk, e.g. the ability to do anything about some risks may be limited, or the cost of taking any action may be disproportionate to the potential benefit, or in terms of the City Corporation risk appetite, the risk may be manageable,

**Action owner** – An action owner is the individual assigned for the implementation of the measures to mitigate the risk. They support and take direction from the risk owner. Action owners are responsible for:

- reviewing and implementing controls assigned to them and updating progress on the risk register.
- regularly reporting on progress to the risk owner via team meetings and/or one to one meeting or as required

**Avoidance** - an informed decision not to become involved in a risk situation. The City Corporation may not be able to avoid risks associated with its statutory functions.

**Business risk** - Failure to achieve business objectives/benefits

**Contingency plan(ning)** - The process of identifying and planning appropriate responses to be taken when, and if, a risk occurs.

**Exposure** - The susceptibility to loss.

**Frequency** - A measure of likelihood expressed as the number of occurrences of an event in each time.

**Impact** - Effect or consequence of a risk, should it occur e.g. time, cost, quality, reputation, financial loss, reputation etc

**Incident** - An event or circumstance which could have or did lead to unintended and/or unnecessary harm to a person, and/or a complaint, loss or damage.

**Issue** - A relevant event has happened, was not planned and requires management action. It could be a problem, query, concern, change request or risk has occurred.

**Likelihood** - A qualitative description of a probability or frequency of the risk event occurring.

**Loss** - A negative outcome.

**Mitigating action** - Any controls or measures that seek to reduce the likelihood or impact of a risk event to an acceptable level.

**Opportunity** - An uncertain event that could have a favourable impact on the objectives or benefits

**Planned (business) activity** - a term to describe an activity (e.g. activities in a business plan) to which the risk management process is being applied.

**Programme** - A set of projects and activities that are co-ordinated and managed as a unit such that they achieve outcomes and realise benefits.

**Project risks** - Those which are concerned with delivering defined outputs to an appropriate level of quality within agreed time, cost and scope constraints.

**Reduction** - A selective application of management action, by applying internal control to reduce either the likelihood or the impact, or both, designed to contain risk to acceptable levels, e.g. mitigation action, contingency planning.

**Risk** - The effect of uncertainty on objectives

**Risk analysis** - A systematic use of available information to determine how often specified events may occur and the magnitude of the impact.

**Risk appetite** - an organisation's unique attitude towards risk taking that in turn dictates the amount of risk that it considers acceptable.

**Risk assessment** - The identification of risk, the measurement of risk, and the process of communicating about risks.

**Risk categories** - Risks can be identified by category e.g. technological risks

**Risk cause:** a description of the sources of the risk i.e. the event or situation gives risk to the risk.

**Risk effect:** a description of the impact that the risk would have on the organisational activity should the risk materialise.

**Risk event:** A description of the area of uncertainty in terms of the threat or opportunity (i.e. what activates the threat).

**Risk identification** - The process, by which events, which could affect the organisation's objectives, are identified, described and recorded.

**Risk management** – Concerned with the “coordinated activities to direct and control and organization with regard to risk”.

**Risk management framework** - Sets the context within which risks are managed in terms of how they will be identified, assessed, controlled and reported.

**Risk matrix** - A model that visually displays the relationship between the likelihood and impact of specific risks. Visually it is a 4x4 box that plots likelihood and impact. (see appendix 2)

**Risk owner** - is a role or an individual that is responsible for the management and control of all aspects of that risk, including the implementation of the measures taken to mitigate it.

Risk owners will be responsible for:

- managing risks assigned to them, reviewing, scoring and updating as appropriate on a risk register.
- reviewing the action measures and acting if mitigation is not being effective
- working with the unit head/project manager to provide progress updates for example via team meetings and/or one to one meeting
- where a risk or action is of serious or of immediate concern this should be raised with the appropriate manager/group immediately

**Risk prioritisation** - The process that allows risks to be ranked into a logical order by establishing how significant they are in terms of likelihood and impact.

**Risk register** - A record of all identified risks relating to corporate, departmental, service, programme or project objectives.

**Risk treatment** - Selection and implementation of appropriate options for dealing with risk.

**RMIS** - Risk management Information System. A web-based system that can record risks and action and produce reports (within the City Corporation – Pentana Performance).

**SMART** – An action must be specific, measurable, achievable, realistic and time bound.

**Stakeholder** - An individual, group or organisation that can affect, be affected by, or perceives itself to be affected, by a planned business activity.

**Target risk** – The risk score after the completion of all relation actions and achieved by a certain date.

**Threat** – An uncertain event that could have a negative impact on objectives or benefits.

**Transfer** - Shifting the responsibility or burden for the loss to another party, e.g. through insurance. Note this should be used with caution - it is often impossible to transfer a risk entirely. For example, if the risk to the City Corporation's reputation, notwithstanding that a contractor is obliged to

compensate the organisation financially for poor performance, the risk cannot be considered as well managed

**Uncertainty** - A condition where the outcome can only be estimated.

DRAFT



<b>Committee(s)</b>	<b>Dated:</b>
Audit and Risk Management Committee	19 November 2019
<b>Subject:</b> Risk Management Update	<b>Public</b>
<b>Report of:</b> Dr Peter Kane, Chamberlain	<b>For decision</b>
<b>Report author:</b> Paul Dudley, Chamberlain's department	

## Summary

This report provides your Committee with an update on the corporate and top red departmental risk registers. Both these registers have been reviewed by the Chief Officer Risk Management Group (CORMG) on 1 October 2019 and Summit Group on 23 October 2019.

A total of 334 risks (334 in July 2019) have been identified by departments providing a wide range of risks that may affect service delivery.

There are currently 15 (15 in July 2019) corporate risks included on the corporate risk register of which there are five red and 10 amber risks. However, two new corporate risks (CR30 Climate Action and CR31 Fundamental Review Delivery) have been approved by the Summit Group at their meeting on 23 October 2019. Both risks are presented to your Committee for endorsement.

The total number of top red departmental risks is 16 (13 in July 2019). One risk has been removed and four new risks added to this register.

The EU have granted the UK a further Article 50 extension up to 31 January 2020. The City Corporation's Brexit related risks continue to be reviewed by Chief Officers and the Brexit Planning Group although group meetings have been temporarily suspended pending the outcome of the General Election on 12 December 2019. Significant progress has been made in mitigating the potential effects of Brexit on the City Corporation's operations. As a result, the corporate Brexit risk (CR26) has been re-rated from an amber 12 to an amber 8 current risk score (October 2019).

## Recommendations

The Committee is asked to:

1. Note the risk report, including changes to both corporate and top red departmental risk registers since July 2019.
2. Endorse the decision of the Summit Group to include both the CR30 Climate Action and CR31 Fundamental Review Delivery risks on to the corporate risk register.

## Main Report















### Background

- 1 The corporate risk and top red departmental risk registers have been reviewed by the Chief Officer Risk Management Group on 1 October 2019 and Summit Group on 23 October 2019.
- 2 A total of 334 (334 in July 2019) wide ranging risks have been identified by departments – 34 red, 206 amber and 94 green risks.
- 3 Of the 334 total risks, there are 15 corporate, and 16 top red departmental level risks. There are another 101 amber and 36 green risks recorded at departmental level. The remaining 166 are recorded as either service, team or project level risks.
- 4 Departments have used the City Corporation’s Risk Management Strategy to ensure that there is a consistent approach to the way risks are described and scored.

### Corporate risk register

- 5 There are currently 15 corporate risks (five red and 10 amber). However, two new corporate risks (CR30 Climate Action and CR31 Fundamental Review Delivery) have been approved by the Summit Group at their meeting on 23 October 2019 (see para 8 below). These two new risks have not been shown in the table below. A copy of the corporate risk register is attached as appendix 1 together with the risk assessment history of the corporate risks as appendix 2.

Table 1 below – List of current corporate risks as at 4 November 2019 (ordered by risk score)

Code	Title	Risk status	Risk Score	Trend Icon	Category – Strategic/ Operational
CR20	Road Safety		24		O
CR24	Operational Security		24		S/O
CR28*	Action Fraud		24		S/O
CR17	Safeguarding ( <i>Risk score increased from Amber 8 to Red 16 – Sept 2019</i> )		16		O
CR23	Police Funding		16		S
CR01	Resilience Risk		12		O
CR02	Loss of Business Support for the City		12		S

CR09	Health Safety and Wellbeing Risk (Management System)		12		O
CR10	Adverse Political Developments		12		S
CR16	Information Security (formerly CHB IT 030)		12		O
CR21	Air Quality		12		O
CR29	Information Management		12		O
CR26	Brexit - Organisational Impact ( <i>Risk score decreased from Amber 12 to Amber 9 – October 2019</i> )		8		S
CR25	General Data Protection Regulation Compliance		6		O
CR27	Change Management		6		O

(\* = The corporate risk CR28 Action Fraud (appendix 3) is reported to Audit and Risk Management Committee in the Not for Publication section of the agenda).

### Changes to the Corporate risk register

- 6 The following changes have been made to the corporate risk register since July 2019:
- CR09 Health and Safety Management System has a revised risk description and the target score adjusted from an amber 12 to an amber 8 following discussion on two occasions by the Corporate Health, Safety and Wellbeing Group, most recently in September 2019.
  - CR16 Information Security has a revised risk description following a suggestion at the September 2019 Audit and Risk Management Committee in relation to information security preparedness.
  - CR17 Safeguarding increased in risk score from an amber 8 to a red 16 due to issues in communications with the Emergency Duty Team – September 2019. Risk maintained at a red 16 current score.
  - CR25 GDPR Compliance - although this risk remains on the corporate risk register, the Comptroller and City Solicitor is due to submit a report on the outcome of an internal audit of GDPR compliance to the Audit and Risk Management Committee in November 2019. It is anticipated that this is likely to result in this risk being removed from the corporate risk register and on to the Comptroller and City Solicitor's departmental risk register.
  - CR26 Brexit risk. This risk focusses on the City Corporation's preparations for Brexit which have made good progress. The Brexit Planning Group agreed (October 2019) to reduce the risk score from an amber 12 to an amber 8. Risk maintained at an amber 8 current risk score.

## Disposition of corporate risks on the risk matrix

- 7 Table 2 below shows the disposition of corporate risks on the risk matrix between 12 July and 4 November 2019.



## Proposed new corporate risks

- 8 Summit Group on 23 October 2019 approved two new corporate risks presented here for endorsement. These two new risks are not included in the above corporate risk total. The brief details of each risk event are set out below:

- **CR30 Climate Action:** The City Corporation does not adopt a credible Climate Action Strategy to meet the challenges and effects of climate change, as it affects the discharge of its role and responsibilities across its own organisational assets within the Square Mile and beyond (i.e. we have open spaces, offices, property assets and housing outside the Square Mile), as well as its role and responsibilities as the governing body of the Square Mile.
- **CR31 Fundamental Review delivery:** Compensatory savings and/or income generation to meet the Corporation's forecast medium term financial deficit are not fully realised through the Fundamental Review. Police Transform programme fails to realise the budget mitigations anticipated.

The full description of both these risks, with risk scores and related actions are set out in appendix 4.

## Corporate risk ratings and target dates

9 Out of the fifteen corporate risks, six risks have annual target dates and relate to longer term risks. These are:

- CR01 Resilience risk
- CR02 Loss of Business Support for the City
- CR09 Health and Safety
- CR10 Adverse political developments
- CR16 Information Security
- CR17 Safeguarding

The nine risks relate to specific target dates where the risk scores should be achieved.

10 The corporate risk with the highest likelihood rating (Likely) is CR23 Police Funding. The following corporate risks which have the highest impact rating (Extreme) are CR17 Safeguarding, CR20 Road Safety, CR24 Operational Security and CR28 Action Fraud.

## Top departmental red risks

11 There are 16 top red departmental risks (13 in July 2019). There continues to be a fluid movement of top red departmental risk register with one risk being removed and four new risks being added to the register. Attached as appendix 5 is the top red departmental short risk register report which provides a list of all top red departmental risks. A copy of the top red detailed risk register is available on request. The following changes have been made since the last report in July 2019.

- **Risk removed:** CLF 012 Estate plan development.
- **New risks:** BBC Finance 001 – Financial targets not achieved, BBC Finance 003, Funding reductions, DCCS ED 01 and Failure to deliver the COL Academy expansion programme, OSD 004 Repairs and maintenance.

## Brexit

12 The EU have granted the UK a further Article 50 extension up to 31 January 2020. The City Corporation's Brexit related risks continue to be reviewed by Chief Officers and the Brexit Planning Group. However, group meetings have been temporarily suspended pending the outcome of the General Election on 12 December 2019. Significant progress has been made in mitigating the potential effects of Brexit on the City Corporation's operations. As a result, the corporate Brexit risk (CR26) has been re-rated from an amber 12 to an amber 8 current risk score (October 2019).

## **Conclusion**

- 13 The corporate and departmental risk registers were reviewed by the Chief Officer Risk Management (CORMG) on 1 October 2019 and Summit Group on 23 October 2019. The CORMG provides additional assurance to the Summit Group, Chief Officer Group and the Audit and Risk Management Committee that corporate and top red departmental risks are appropriate and being actively managed.

### **Appendices:**

**APPENDIX 1** – Corporate risk register – detailed version

**APPENDIX 2** – Corporate risk register – risk assessment history

**APPENDIX 3** – Corporate risk 28 Action Fraud **(Not for publication)**

**APPENDIX 4** – Proposed new corporate risks

**APPENDIX 5** – Top red departmental risk register – Short summary report

### **Contact:**

**Paul Dudley**

Corporate Risk Manager

T: 02073321297

E: Paul.Dudley@cityoflondon.gov.uk



# Corporate risks - detailed report EXCLUDING COMPLETED ACTIONS

Report Author: Paul Dudley

Generated on: 05 November 2019

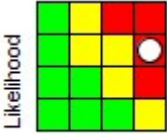
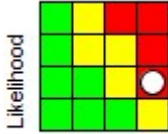

Rows are sorted by Risk Score

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
P 20 Road Safety Score 105 23-Oct-2015 Carolyn Dwyer	<p><b>Cause:</b> Limited space on the City’s medieval street network to cope with the increased use of the highway by vehicles, pedestrians and cyclists within the City of London. Interventions and legal processes take time to deliver SAFELY AND EFFECTIVELY</p> <p><b>Event:</b> The City Corporation’s statutory duties and the measures outlined in the Transport Strategy are not fully and effectively implemented.</p> <p><b>Effect:</b></p> <ul style="list-style-type: none"> <li>•The number of casualties occurring on the City’s streets rises or remains unchanged instead of reducing</li> <li>•The safety and feeling of safety of the City’s communities is adversely affected (Corporate Plan Outcome 1)</li> <li>•Physical or mental harm suffered by those involved in collisions and their associates</li> <li>•Economic costs of collisions impact on INDIVIDUALS, City businesses and wider society</li> <li>•The City Corporation’s ABILITY TO IMPROVE ROAD SAFETY is adversely impacted with businesses and/or the public BY VIRTUE OF A LOSS OF CREDIBILITY AND/OR AUTHORITY</li> </ul>	Likelihood  Impact	24	The risk assessment is unchanged, reflecting the probability that a fatality is fairly likely to occur while mitigation measures are being implemented.  11 Oct 2019	Likelihood  Impact	16	31-Mar-2022	  Constant

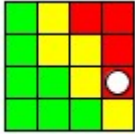
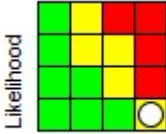

(revised risk description27/6/19)					
-----------------------------------	--	--	--	--	--

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR20l	<p>A programme of projects to reduce road danger on the City's streets including:</p> <ul style="list-style-type: none"> <li>• Bank on Safety and All Change at Bank</li> <li>• RDR engineering programme</li> <li>• 15mph traffic limit</li> <li>• Ludgate Circus (lead by TfL)</li> </ul>	<p>Bank on Safety interim scheme expected to begin delivery in Q3. Continuing to engage with TfL on Ludgate Circus and improvements to the junction at Bevis Marks/Wormwood and Bishopsgate and the Fenchurch Street/Lombard Street/Gracechurch Street Junction. Speed surveys commissioned to help inform development of 15mph limit. Feasibility designs completed for improvements to Gresham Street/Old Jewry, Creechurch Lane/Leadenhall/ St and Gresham Street/Wood Street.</p>	Zahur Khan	11-Oct-2019	31-Mar-2022
CR20m	<p>Campaigns and engagement activities to encourage safe behaviours and promote safe vehicles, including:</p> <ul style="list-style-type: none"> <li>• Active City Network</li> <li>• User and stakeholder liaison</li> <li>• Schools programme</li> </ul>	<p>Over the summer, the RDR and Behaviour Change team delivered two week long Lunchtime Street events. We engaged with businesses along Chancery Lane and St Mary Axe to create a traffic free lunchtime to assess positive and negative impacts. No major traffic issues or problems with deliveries were reported, while over 90% of those surveyed on street supported traffic free lunchtimes. The positive engagement will support the delivery of the City Cluster Vision and other projects to make City streets safer and better for people on foot.</p>	Zahur Khan	14-Oct-2019	31-Mar-2022



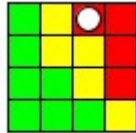
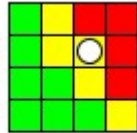

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
<b>CR24 Operational Security</b> 07-Jun-2017 John Barradell	<b>Cause:</b> Inadequate, poorly maintained or time expired security infrastructure; lack of security culture within the organisation; poor training or organisation of staff; insufficient staff. <b>Event:</b> Security of an operational property is breached. <b>Effect:</b> Unauthorised access to building by criminals/protestors/terrorists; disruption of business/ high profile events; reputational damage; injury or potential loss of life amongst staff or members of the general public	 Likelihood	24	Location B physical works now complete, CCTV upgrade still awaited. 04 Nov 2019	 Likelihood	16	30-Apr-2020	 Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR24a	Deliver a programme of security infrastructure enhancements	CR24 A location 7 was approved in October 2019 and expected to commence works in February 2020	Paul Wilkinson	04-Nov-2019	30-Apr-2020
CR24b	Mitigating risk of vehicle borne attacks across Corporation estate.	Target hardening to six high risk sites is now complete since the last deep dive, three areas have temporary mitigation in place whilst permanent solutions are in design and construction. There are three in detailed design and three under construction	Carolyn Dwyer; Paul Wilkinson	04-Nov-2019	30-Apr-2020
CR24e	Protecting CR24 location A for major events by installing HVM.	CR24 location A: 7 areas now complete and final design sign off for the last mitigation in hand, detailed design in process	Carolyn Dwyer; Richard Woolford	04-Nov-2019	30-Apr-2020

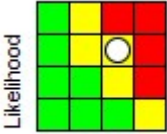
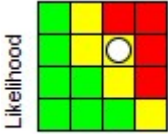

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
<b>CR17 Safeguarding</b> 5 Sep-2014 Andrew Carter	<p><b>Cause:</b> Not providing appropriate training to staff or members; not providing effective leadership, management or supervision; poor case management, information sharing or actions.</p> <p><b>Event:</b> Failure to deliver actions under the City of London's Corporate Safeguarding Policy. All staff (and in particular social workers &amp; teachers) not taking appropriate action in relation to safeguarding issues.</p> <p><b>Effect:</b> Physical or mental harm suffered by a child or vulnerable adult, damage to the City of London's reputation, possible legal action, investigation by CQC and or Ofsted. (Risk description revised June 2019)</p>	Likelihood  Impact	16	The new local safeguarding partnership arrangements have now been put in place.  There have been some issues with the Emergency Duty Team based at Hackney Council accessing the City of London Social care information system and the risk rating has increased as a result of this. A proposal for a long-term solution has been agreed and work to implement this is ongoing.  <b>29 Oct 2019</b>	Likelihood  Impact	8	31-Mar-2020	  Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR17q	A review is being carried out into the business continuity arrangements for the staff providing the out of hours social care service. Following the review, a detailed and clear protocol for addressing issues regarding connectivity to the City of London Social Care system issues will be developed.	There have been some issues with the Out of Hours Social Care service being able to connect to the City of London Social Care System and work is being undertaken to address the issue. A full diagnosis of the issues has been completed and an action plan is being monitored by the Mosaic Advisory Board to ensure a permanent solution is in place. A preferred option to address the issues has now been agreed and work is ongoing to implement this. Some unexpected complications have meant that the implementation of the permanent solution has been delayed and is not anticipated by end of November. In the meantime the Hackney out of hours staff have been provided with CoL loan laptops so that they can access the CoL version of the social care information system directly.	Hasna Begum; Sharon McLaughlin	29-Oct-2019	31-Oct-2019
CR17U	DCCS will be working with Town Clerks Department to deliver a Member briefing programme in 2019 that will	The aim of the sessions is to raise awareness of Member responsibilities in respect of safeguarding. The briefings will include;	Chris Pelham	05-Sep-2019	31-Dec-2019

	enhance member knowledge and understanding of key safeguarding areas across children and adults.	<ul style="list-style-type: none"> <li>• The Mental Capacity Act and Making Safeguarding Personal.</li> <li>• Adult Social Care</li> <li>• Rough Sleepers</li> <li>• SEND/Safeguarding- Education and Safeguarding</li> <li>• The role of Corporate Parent- Children’s Social Care</li> </ul>			
Page 109 7V	The City of London Safeguarding Policy was implemented in 2014. It is subject to review on an annual basis. A corporate safeguarding audit was undertaken in 2018/19.	<p>The Corporate safeguarding audit focused on:</p> <ul style="list-style-type: none"> <li>• The safeguarding responsibilities of each of the City of London’s departments</li> <li>• Departmental heads’ understanding of these responsibilities</li> <li>• Governance structures for monitoring and reporting safeguarding issues</li> <li>• Responses to safeguarding incidents and how these were reported to the relevant committee(s)</li> </ul> <p>Chief Officers will be required to submit an annual report on safeguarding concerns this will include nil returns. Collation of this information will enable an analysis of the volume and nature of safeguarding issues across the organisation.</p>	Chris Pelham	11-Sep-2019	31-Oct-2019
CR17W	Family of Schools Safeguarding Review concluded on 29 March 2019. An overview report on the findings and recommendations is being submitted to the Education Board meeting on 12 July 2019 and to Safeguarding Sub-Committee on 3 October 2019.	<p>A Safeguarding Consultant has developed individual reports for each school and will work with City Corporation and schools from Sept-Nov 2019 to implement recommendations.</p> <p>As part of the implementation of the recommendations from the review, the Education Unit will commission advanced safeguarding training for school Designated Safeguarding Leads and Safeguarding Governors on an annual basis.</p>	Anne Bamford	29-Oct-2019	31-Dec-2019

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
<p><b>CR23 Police Funding</b></p> <p>21-Nov-2016</p> <p>Ian Dyson; Peter Kane</p>	<p><b>Cause:</b> Reduction in government funding, workforce costs and growing demand in Policing services leading to pressures for the City Fund -Police.</p> <p><b>Event:</b> Reduction in government funding. Failure to deliver VfM savings. Budget deficit forecast for next 5 years requiring action to balance the budget</p> <p><b>Effect:</b> Potential impact on security and safety in the City as need to make savings, prioritise activity, review funding City of London Police will be unable to maintain a balanced budget and current service levels as reflected in their Medium-Term Financial Plan.</p>	<p>Likelihood</p>  <p>Impact</p>	<p>16</p>	<p>An updated medium-term financial projection for the Police was shared at the July RASC away day, which proposed an increase in resource allocation to the extent of the approved growth bid of 67 roles (£5.4m in 20/21), with the remaining aspects of the identified deficits to be resolved within the existing resource base of the City of London Police - through savings measures linked to its Transform programme, which will include shared services. The projections explicitly excluded capital repayment assumptions pending identification by the Force of its medium-term capital priorities. These priorities will be submitted to the November Police Authority Board, with approval then being sought at the December RASC meeting, based on a future loan-based model for Police capital funding, and with the medium-term and Police budget ‘revenue’ implications arising from it being clarified. The Spending Round outcome for the Police will not be known before December 2019, and will be limited to 20/21 with a multi-year Spending Review to follow in 2020.</p> <p>04 Nov 2019</p>	<p>Likelihood</p>  <p>Impact</p>	<p>12</p>	<p>31-Mar-2020</p>	<p></p> <p>Constant</p>

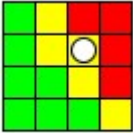
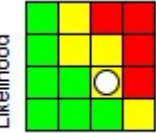

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR23g	Implement sustainable medium-term financial settlement for CoLP: - Revenue position Capital financing	Oct / Nov 2019 – MTFP assumptions have been further developed post-July RASC session to enable decisions to be made in autumn Committee cycle and beyond, in light also of Spending Round outcome. Capital financing assumption being incorporated into revenue MTFP based on CoLP work to identify its medium-term capital priorities.	Alistair Cook	04-Nov-2019	31-Mar-2020

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 Page 111 20-Mar-2015 John Barradell	<b>Cause</b> - Lack of appropriate planning, leadership and coordination <b>Event</b> - Emergency situation related to terrorism or other serious event/major incident is not managed effectively <b>Effect</b> - 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.		12	<ul style="list-style-type: none"> <li>Business Continuity training complete. Action plan now in place to implement key recommendations from the training and BIA process</li> <li>BECC Training session complete, process and call out still to be finalised . Cycle of training to continue</li> </ul>		12	30-Apr-2020	  Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR01L	Assurance process with Cabinet Office College Provide refresher and initial training for Col staff, this training intended to increase knowledge to ensure BC plans are able to support the Col maintain its business during a major incident, provide an in depth independent	Action place now in place to implement key recommendations from the training and BIA process	Gary Locker	05-Nov-2019	30-Apr-2020

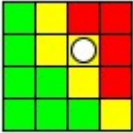
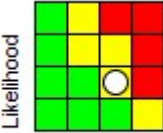
## APPENDIX 1

	oversight of the Col business impact analysis, identifying its most critical business areas				
CR01M	process, training, call out process to strengthen the City capability and resilience in responding to major incident and complying with the wider London boroughs standardisation programme	Training for this session complete , process and call out still to be finalised	Gary Locker	05-Nov-2019	31-Dec-2019
CR01N	to increase City capability and resilience in also supporting wider London boroughs during major incident response, Local Emergency Control Centres, Emergency centres as part of a wider humanitarian	BECC training as part of this process completed March 2019 , cycle of training to continue Further staff awareness date planned 25/6/19 as part of cycle of training/awareness	Gary Locker	05-Nov-2019	31-Dec-2019
CR01Q	Plan an annual calendar of IT DR tests, covering critical systems and services	Rolling DR Tests have commenced.  Papers describing this have been submitted to Audit and Risk and Digital Services Subcommittees	Matt Gosden	05-Nov-2019	31-Mar-2020
CR01R	All COL and COLP comms and data rooms are being audited with a view to: <ul style="list-style-type: none"> <li>• Assessing power and security provision</li> <li>• Update the Comms Room Policy and MoU with City Surveyors, including categorisation of rooms into critical and non-critical.</li> </ul> Provide recommendations for a project to improve the power/UPS resiliency in these rooms.	Audits almost complete.  Report due to be completed by mid-Dec 2019 with recommendations for process of ongoing assurance and compliance and upgrade works to achieve minimum standards (subject to Capital bid.)	Matt Gosden; Kevin Mulcahy	05-Nov-2019	31-Dec-2019

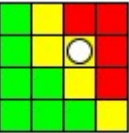
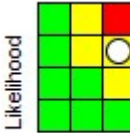
Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
<p><b>CR02 Loss of Business Support for the City</b></p> <p>22-Sep-2014 Damian Nussbaum</p>	<p><b>Cause</b> - The City Corporation's actions to promote and support the competitiveness of the business City do not succeed.</p> <p><b>Event</b> - The City's position as the world leader in international financial services is adversely affected</p> <p><b>Effect</b> - The City loses its ability to attract and retain high value global business activity, both as a physical location and in mediating financial and trade flows; the City Corporation's business remit is damaged, and its perceived relevance is diminished. Reputational damage to the City as a place to do business and to Corporation ability to govern effectively</p>	<p>Likelihood</p>  <p>Impact</p>	<p>12</p>	<p>We have actively contributed to UK Government led initiatives with other markets on FinTech. A new Green Finance Institute was launched at the Green Finance Summit we hosted on 1/7/19. A new Cyber strategy has been agreed with the City Police, and new work programmes on infrastructure and development finance are underway. Supporting the developing programme of work on digital skills through the Coalition for Digital Intelligence, now called future.now and the Financial Services Skills Taskforce. Have recently hosted the Innovate Finance Global Summit for FinTech and international conference on Green Finance.</p> <p>Engagement with policymakers and businesses at the World Economic Forum, has informed our ongoing work programme to increase bilateral trade and investment, as well as ensuring the UK economy is prepared for technological changes.</p> <p>Increased engagement with priority markets including Japan, US, Switzerland and China</p> <p>04 Nov 2019</p>	<p>Likelihood</p>  <p>Impact</p>	<p>8</p>	<p>30-Apr-2020</p>	<p></p> <p>Constant</p>

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR02H	Work on initiatives which ensure London is at the forefront of innovation in financial and professional services	<p>We have actively contributed to UK Government led initiatives with other markets on FinTech. A new Green Finance Institute was launched at the Green Finance Summit we hosted on 1/7/19. A new Cyber strategy has been agreed with the City Police, and new work programmes on infrastructure and development finance are underway.</p> <p>Supporting the developing programme of work on digital skills through future.now and the Financial Services Skills Taskforce</p> <p>New initiative is supporting the launch of the Impact Investment Institute.</p> <p>Hosted the Innovate Finance Global Summit for FinTech and the international Green Finance summit.</p> <p>Engagement with policymakers and businesses at the World Economic Forum, has informed our ongoing work programme to increase bilateral trade and investment, as well as ensuring the UK economy is prepared for technological changes.</p> <p>Increased engagement with priority markets including Japan, US, Switzerland and China.</p> <p>Campaign to be launched to encourage US based Venture Capital firms to invest more in UK based tech businesses</p>	Damian Nussbaum	04-Nov-2019	31-Jan-2020



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
<p><b>CR09 Health Safety and Wellbeing Risk (Management System)</b></p> <p>22-Sep-2014 Chrissie Morgan</p>	<p><b>Cause:</b> Lack of management grip/attention to effective health and safety in the workplace, management and staff competency, poor supervision and guidance, and ineffective controls and monitoring / feedback systems.</p> <p><b>Event:</b> Significant breach/non-compliance with Statutory regulations and/ or internal H&amp;S policies and procedures by staff/managers whilst undertaking/delivery of City Corporation functions.</p> <p><b>Effect:</b> Fatality or life-threatening illness / disease compromising the safety and wellbeing of service users, public or the workforce, potential enforcement action/financial penalties to City Corporation. Adverse effect on the delivery of the Corporate Plan: Especially Outcomes 1 &amp; 2</p>	<p>Likelihood</p>  <p>Impact</p>	<p>12</p>	<ul style="list-style-type: none"> <li>The new inspection programme initiated and now 80% progressed.</li> <li>Risk description re-scoped and description agreed at HSW Committee etc. Review of risk scoring completed. Target score reduce to 8. Updates completed.</li> <li>Back Care campaign in-progress and Suicide Awareness campaign completed with new guidance “Concerns About Suicide – Just Ask” launched</li> <li>draft Overseas Travel Policy for H&amp;S going to Summit (23/10) following consultation with all Chief Officers.</li> <li>Heat wave and Safety Systems of Work Guidance in progress.</li> </ul> <p>16 Oct 2019</p>	<p>Likelihood</p>  <p>Impact</p>	<p>8</p>	<p>31-Dec-2019</p>	<p>Constant</p>

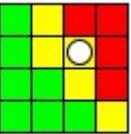
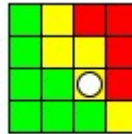

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR09J	Deliver a series of health and safety audits and compliance checks to provide corporate assurance that the organisation is being managed safely	The new inspection programme initiated and now 80% progressed.	Sarah Blogg; Nikki Jago; Justin Tyas	16-Oct-2019	31-Dec-2019

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
<p>CR10 Adverse Political Developments</p> <p>22-Sep-2014 Paul Double</p>	<p><b>Cause:</b> Policy issues that may compromise the City’s operation as an international financial marketplace to which the City Corporation’s functions are aligned; other financial services issues that make the City Corporation vulnerable to political criticism; local government proposals that call into question the justification for the separate administration of the Square Mile; overarching political hostility.</p> <p><b>Event:</b> Changes in international relationships particularly those with the EU; reputational questions related to financial institutions; local government changes in London; increase in political hostility to the Corporation.</p> <p><b>Impact:</b> Damage to the City’s ability to put its case nationally and internationally and to the City’s standing as a dedicated international financial marketplace. The City of London Corporation would be compromised if the City’s position as a world-leading financial and professional services centre were undermined. Loss of City Corporation functions as a result of adverse attitudes towards the Corporation. The risk appetite is assessed on the basis of an assumption as to the Corporation’s ultimate constitutional existence in its current form is beyond the risk register time-line</p>	<p>Likelihood</p>  <p>Impact</p>	12	<p>Constant attention is given to the form of legislation affecting the City Corporation and the broader City, and any remedial action pursued. Making known the work of the City Corporation in the financial sphere among opinion formers, particularly in Parliament and central Government, is also part of the apparatus by which the City's voice is heard and by which the Corporation is seen to be "doing a good job" for London and the nation for a crucial sector of the economy; the foremost consideration at the present time is the continuing uncertainty in relation to Brexit. The same approach is replicated in respect of professional services; the digital economy; arts and culture; and other activities undertaken by the City Corporation.</p> <p>Risk score increased to 12 from 8 given changing political conditions.</p> <p>04 Nov 2019</p>	<p>Likelihood</p>  <p>Impact</p>	12	31-Mar-2020	<p>Constant</p>

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR10a	Monitoring of Government legislation and proposed regulatory changes.	Relevant Bills in the Government's legislative programme will be identified and City Corporation departments alerted to issues of potential significance as the measures are introduced in the new Session. Action taken through negotiation with departmental officials or	Paul Double	04-Nov-2019	31-Mar-2020

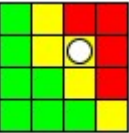
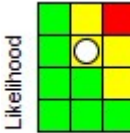

## APPENDIX 1

		amendments tabled in Parliament as required. The legislative consequences of Britain leaving the EU as they may affect the Corporation and the City more generally as an international financial centre is a key priority.			
CR10b	Provision of information to Parliament and Government on issues of importance to the City.	Briefing has been provided for parliamentary debates including on Brexit, air quality, immigration, housing, planning, the creative industry, trade and investment, apprenticeships, economic crime, Fintech and broadband.	Paul Double	04-Nov-2019	31-Mar-2020
CR10c	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.	Liaison with the City's MP and other MPs, Peers and Select Committee of both Houses on matters of importance to the City, including increased engagement on Brexit-related issues. Working with other organisations, including the Financial Markets Law Committee, to analyse the legal framework when an outcome on Brexit is agreed or if it is not. 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	04-Nov-2019	31-Mar-2020

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 (formerly CHB 17030)  10-May-2019 Peter Kane	<p><b>Cause:</b> Breach of IT Systems resulting in unauthorised access to data by internal or external sources. Officer/ Member mishandling of information.</p> <p><b>Event:</b> The City Corporation does not adequately prepare, maintain robust (and where appropriate improve) effective IT security systems and procedures.</p> <p><b>Effect:</b> 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 2018. Incur a monetary penalty of up to €20M. Compliance enforcement action. Corruption of data. Reputational damage to Corporation as effective body.</p>	 <p>Likelihood</p> <p>Impact</p>	12	<p>Following review with A&amp;R committee and DSSC it was agreed that further steps were required to achieve maturity level that could bring the score to its target. As a result of the Deep dive report to A&amp;RMC in September 2019, the risk dscription has been amended to reflect an emphasis on CoL preparedness.</p> <p><b>09 Oct 2019</b></p>	 <p>Likelihood</p> <p>Impact</p>	8	31-Dec-2020	  Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR16k	Final stages of completing information security projects which will mean that we can assure Members that the City of London Corporation has implemented all the national	Information Security projects are being delivered as planned. The Information Security team recommended to the Audit and Risk Committee that this risk is reduced to Amber.	Gary Brailsford-Hart	09-Oct-2019	31-Dec-2020

	government recommended security practices and technology achieving a maturity level of 4.	<p>Move towards a continuous improvement model is being adopted to ensure the controls in place are embedded, mature and reflective of emergent threats and risks in order to provide appropriate assurance surrounding preparedness.</p> <p>This is a dynamic risk area and whilst the maturity of 4 is the target, the control scores will go down as well as up as threats, risks and vulnerabilities change.</p>			
CR16l	New toolkit for monitoring and managing the security risk being discussed with the Digital Services Sub-Committee at their meeting on the 30th May 2019.	<p>Recommending that the Digital Services Sub Committee adopts an additional tracking tool called the Cyber Security Board Toolkit</p> <p>This was agreed at last DSSC and a member's workshop is being arranged.</p>	Gary Brailsford-Hart	09-Oct-2019	30-Nov-2019
CR16m	Review of how Cyber risk is identified, analysed and monitored – the expectation is we should be moving beyond compliance measuring (Ten Steps) and seeking to integrate cyber security into organisational risk management processes.	<p>Compliance and security are <b>not</b> the same thing. They may overlap, but compliance with common security standards can coexist with, and mask, very weak security practices. <b>Good risk management should go beyond just compliance.</b> Good risk management should give insight into the health of the City of London and identify opportunities and potential issues.</p> <p>Many of our organisational risks will have a cyber component to them. Cyber security risk should therefore be integrated with our organisational approach to risk management. Dealing with cyber security risk as a standalone topic (or considering it simply in terms of 'IT risk') will make it hard for us to recognise the wider implications of those cyber security risks, or to consider all the other organisational risks that will have an impact on cyber security</p>	Gary Brailsford-Hart	09-Oct-2019	31-Dec-2020

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
<b>CR21 Air Quality</b> 07-Oct-2015 Ruth Calderwood	<p><b>Cause:</b> 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><b>Event:</b> 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><b>Effect:</b> The consequences both acute and chronic may include:                      An increase in hospital referrals placed upon both emergency services and the NHS for those already suffering from respiratory or cardiovascular conditions (it may also place a strain on City social services).                      An increase in deaths, particularly of those already suffering from respiratory or cardiovascular conditions (both residents and workers).                      Economic costs such as acting as a deterrent of businesses coming to London or staying and financial penalties for non-compliance with air quality limits.                      Persistent poor air quality may affect the longer term health of the City population.                      Persistent poor air quality may attract adverse media coverage making the City seem a less attractive place to live and work.</p>	 <p>Likelihood</p> <p>Impact</p>	12	No change fro previous assessment  <b>05 Sep 2019</b>	 <p>Likelihood</p> <p>Impact</p>	6	31-Dec-2020	 Constant

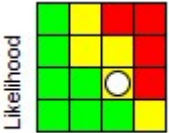
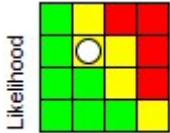

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR21 001h	Develop baseline model for compliance assessment and publish annual report of air quality data	2018 annual report presented to PHES committee Sept 2019 and available on Corporation web site	Ruth Calderwood	24-Sep-2019	31-Dec-2025
CR21 001i	100% of vehicles owned or leased by the CoL are electric or hybrid by 2025	We are working to ensure that 100% of vehicles owned or leased by the CoL are electric or hybrid by 2025	Ruth Calderwood	20-Sep-2019	31-Dec-2025

**APPENDIX 1**

			d		
CR21 001j	Develop and support an Emission Reduction Private Members Bill for London local authorities	Draft Bill has been developed with London Councils and we intend to support the introduction of Bill to parliament Dec 2019	Ruth Calderwood	20-Sep-2019	31-Dec-2021
CR21 001k	Manage pan London idling vehicle engine programme	Funding applied for and project managers appointed.	Ruth Calderwood	20-Sep-2019	20-Mar-2020

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
<b>CR29 Information Management</b>  Page 120  08-Apr-2019 John Barradell	<p><b>Cause:</b> Lack of officer commitment and investment of the right resources into organisational information management systems and culture.</p> <p><b>Event:</b> The City Corporation’s IM Strategy (2018-2023) is not fully and effectively implemented</p> <p><b>Effect:</b></p> <ul style="list-style-type: none"> <li>Not being able to use relevant information to draw insights and intelligence and support good decision-making</li> <li>Vulnerability to personal data and other information rights breaches and non-compliance with possible ICO fines or other legal action</li> <li>Waste of resources storing information beyond usefulness</li> </ul>	 Likelihood	12	<ul style="list-style-type: none"> <li>Summit have agreed new IM Metrics and a new IM Governance model</li> <li>Summit have agreed a new Records Management Policy</li> <li>The Business Intelligence infrastructure is now set up with an Azure platform</li> </ul> 14 Oct 2019	 Likelihood	6	30-Jun-2020	Constant

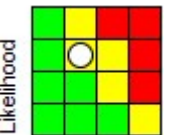
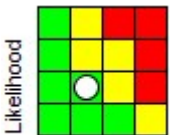

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR29a	Ensure that CoL has the necessary awareness, tools and, skills to manage information effectively	<ul style="list-style-type: none"> <li>• Work with the Head of Communications to communicate/raise awareness the IM Strategy and Policies. Provide training in SharePoint in preparation for migrating the Shared drives. Implement protective marking and information classification in CoL. Sharepoint to become the Corporate document management solution.</li> <li>• Launch of protective marking, IM training and communication will be in November 2019</li> </ul>	Sean Green	14-Oct-2019	30-Nov-2019
CR29b	Start the culture change by Integrating good information management practice into the Leadership and Management stand of the City of London Learning Academy	<ul style="list-style-type: none"> <li>• HR to work with the IT and the Corporate Strategy and Performance teams to identify the key skills required for good information management. HR to then develop the training to support this.</li> <li>• HR to review where in HR policies and procedures this can be integrated. HR to Work with the senior leadership team to develop a plan and then deliver key messages and communications on the importance, relevance and benefits of good information management.</li> <li>• Meeting held with HR who have agreed to support the development of training for the November launch</li> </ul> <p>Further work to be carried out to develop new IM competencies for all staff Job Descriptions</p>	Chrissie Morgan	14-Oct-2019	31-Mar-2020
CR29e	Ensure that CoL has the necessary checks, balances and oversight to ensure successful implementation of the IM Strategy	<ul style="list-style-type: none"> <li>• The Digital Services Task and Finish group to be established to provide governance and assurance that the strategy is being delivered. New IM Policies and compliance are already governed via the IM Governance Board.</li> <li>• Meeting of this group booked has been delayed new date to be advised</li> </ul>	Sean Green	14-Oct-2019	31-Dec-2019
CR29f	Ensure officers can implement the data retention policy and data discovery requirements from GDPR	<ul style="list-style-type: none"> <li>• Put in place a new Data retention and discovery tool set to ensure we only retain and archive information in line with the agreed policy and retention schedule.</li> <li>• Plan to use readily available MS tools and pilot the move of shared drives to MS Teams</li> <li>• Business case for capital investment in automated MS tools being developed for submission for funding in 2020. – Protective marking tool to be launched in November 2019.</li> </ul>	Sean Green	14-Oct-2019	31-Mar-2020

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
<p>CR26 Brexit - Organizational Impact</p>	<p><b>Cause</b> – The outcome of Brexit negotiations does not secure continuity of contracts, access to talent, ongoing grant funding and/or security of supply chains  <b>Event</b> – The City Corporation services fail to prepare appropriately for the UK departure from the EU on 31 October, 2019.  <b>Effect</b> – There are a range of potential impacts. The City Corporation’s services are disrupted as supply chains and contracts are reassessed, potentially increasing cost and reprioritisation of resources. Uncertainty over multi-year grants may undermine the City Corporation’s ability to deliver or commit to services. The City Corporation may be unable to access the specialist talent and supply chains it needs to deliver some of its services.</p>	 <p>Likelihood</p> <p>Impact</p>	<p>8</p>	<ul style="list-style-type: none"> <li>• Corporation officers attending City of London Police Brexit Planning and Gold Command meetings.</li> <li>• The City Corporation is providing information as part of the weekly data submissions to MHCLG via London Councils.</li> <li>• Town Clerk attending regular meetings with the GLA, LLAG and London Councils on Brexit Preparedness.</li> <li>• Sufina Ahmad and Simon Latham have been nominated as the Corporation's point of contact for MHCLG and London Councils briefings and work on this.</li> <li>• A review of the various Brexit risks was undertaken by Summit and a number of changes to scores agreed.</li> <li>• The Town Clerk is chairing the London Strategic Coordination Group</li> <li>• Engaging with political stakeholders at a central, regional and local level, including MPs, remains vital. The City Corporation must ensure that it is coordinated in its approaches to political stakeholders, with key departments and teams maintaining oversight – namely the Remembrancer’s, Communications Teams (including Corporate Affairs) and the Town Clerk and Chief Executive’s Office.</li> <li>• The organisation is developing a</li> </ul>	 <p>Likelihood</p> <p>Impact</p>	<p>6</p>	<p>31-Jan-2020</p>	



11-Oct-2018 John Barradell				short, medium and long term action plan on its role in supporting with the UK's departure from the EU. This is being coordinated by Sufina Ahmad  <b>04 Nov 2019</b>				Constant
-------------------------------	--	--	--	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--	--	--	----------

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR26b  Page 123	Progress on all departmental Brexit risks and their mitigations be reported monthly to Summit Group	<ul style="list-style-type: none"> <li>• Corporation officers attending City of London Police Brexit Planning and Gold Command meetings.</li> <li>• The City Corporation is providing information as part of the weekly submissions to MHCLG via London Councils.</li> <li>• Town Clerk attending regular meetings with the GLA, LLAG and London Councils on Brexit Preparedness.</li> <li>• Simon Latham has been nominated as the Corporation's point of contact for MHCLG and London Councils briefings and work on this, with support from Sufina Ahmad when Simon is unavailable/less available.</li> <li>• A review of the various Brexit risks is being undertaken by Summit Group and Chief Officers at Brexit Planning Meetings, and a number of additions to the register and changes to scores are being agreed.</li> <li>• The Brexit Planning Meetings are taking place weekly.</li> <li>• The Town Clerk is chairing the London Strategic Coordination Group.</li> <li>• Work now underway to develop a short, medium and long-term action plan regarding the City Corporation's role in managing Brexit for its key stakeholders</li> </ul>	Simon Latham	25-Oct-2019	31-Jan-2020
CR26c	Effective corporate coordination of communications with political and government stakeholders at a central, regional and local level is vital, to ensure that the organisation speaks with one voice and to agreed lines.	The necessity to continue engaging with political and government stakeholders at a central, regional and local level, including MPs, remains vital. The City Corporation must ensure that it is coordinated in its approaches to political and government stakeholders, with key departments and teams maintaining oversight – namely the Remembrancer's, Communications Teams (including Corporate Affairs) and the Town Clerk and Chief Executive's Office	John Barradell; Paul Double; Simon Latham; Bob Roberts	25-Oct-2019	31-Jan-2020

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
<p><b>CR25 General Data Protection Regulation Compliance</b></p>	<p>Cause: Inadequate departmental systems and procedures are in place which meet the additional requirements of GDPR legislation.</p> <p>Event: CoL is unable to comply with GDPR requirements - poor, non-secure and non-compliant processing of personal data.</p> <p>Effect: CoL exposed to adverse publicity, reputational damage, financial penalties imposed by the Information Commissioners Office. Increased volume of Subject Access Requests.</p>	 <p>Likelihood</p> <p>Impact</p>	<p>6</p> <p>The Mazars GDPR Compliance Review draft audit report undertaken in July &amp; August 2019 was received on 11.09.2019 and reviewed by the DPO and C&amp;CS Information Compliance Manager on 12.09.2019.</p> <p>The draft audit report rated GDPR compliance as amber 'an adequate control framework is in place but there are weaknesses and or a lack of compliance which may put some system objectives at risk'.</p> <p>Some suggested amendments to the report findings were made and the revised report is awaited, the core findings and recommendations remain unchanged.</p> <p><b>The findings and recommendations relate to departmental compliance as follows:</b></p> <p>1. Corporate 'w' drive where obsolete data is held and to which all staff have access to personal data. There is a risk of failure to comply with the Data Protection Act 2018.</p> <p><b>Recommendation:</b> All data permanently held on the W drive should be reviewed and either deleted or transferred to a more secure location. Staff should be given clear instructions on the use restrictions of the W drive.</p>	 <p>Likelihood</p> <p>Impact</p>	<p>4</p> <p>30-Sep-2019</p>	

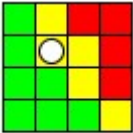
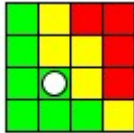
01-Dec-2017			<p>2. Records retention schedules for two departments have not yet been finalised, there is a risk that personal data may not be deleted at the required expiry date.</p> <p><b>Recommendation:</b> Outstanding records retention schedules should be finalised in a timely manner.</p> <p>3. Data protection audits in departments (undertaken by departments) have not been carried out on a regular basis, audits that were carried out did not include records retention schedules. Where compliance with disposal dates included in retention schedules is not regularly monitored there is a risk that obsolete data will be retained resulting in non-compliance with the Data Protection Act 2018.</p> <p><b>Recommendation:</b> Each department should carry out regular data protection audits which should include checks on compliance with disposal dates for categories of data specified in record retention schedules. Results of the audits should be notified to the C&amp;CS Information Compliance Team.</p>				Constant
-------------	--	--	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--	--	--	----------

25 Sep 2019

**APPENDIX 1**

Michael Cogher							
----------------	--	--	--	--	--	--	--

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR25h	<ul style="list-style-type: none"> <li>• Departments to supply existing records retention schedules to supplement the CoLC corporate retention schedule.</li> <li>• GDPR compliance team to advise and review departmental retention schedules and liaise with departmental AIN representatives on required improvements.</li> </ul>	Retention schedules for 5 departments are nearing completion	Michael Cogher	26-Jun-2019	30-Jun-2019
CR25l	<ul style="list-style-type: none"> <li>• Paper to summit group on deletion of W drive data.</li> <li>• Data discovery tool procurement</li> </ul>	<p>1. IS to deliver a business case to secure funding for a data discovery tool.</p> <p>2. Deputy IT Director &amp; Head of Business Change and Engagement are developing a proposal for the management of the W:Drive.</p>	Matt Gosden; Sean Green	26-Jun-2019	30-Sep-2019

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
<p><b>CR27 Change Management</b></p>	<p><b>Cause:</b> Failure to appreciate the scale, complexity and impact of change and take the necessary steps to ensure the organisation has the capability and capacity to change (to stay relevant)  <b>Event:</b> poorly managed and ineffective change  <b>Effect:</b></p> <ul style="list-style-type: none"> <li>• Disruption to service, poor performance and damage to reputation</li> <li>• Outcomes not achieved, reduction in benefits (financial and non-financial)</li> <li>• Failure to change or keep up with change, organisational paralysis and reduction in ability to remain relevant</li> <li>• Adverse impacts on external stakeholders including businesses and residents.</li> <li>• Loss of valued staff and / or negative mental health impacts for staff.</li> </ul>	<p>Likelihood</p>  <p>Impact</p>	<p>6</p> <ul style="list-style-type: none"> <li>• Corporate Strategy &amp; Performance’s Corporate Engagement Lead role 12m pilot in place Dec 2018. PMO’s Programme Management Review running concurrently</li> <li>• Plan is to bring these capabilities together as part of a single, streamlined officer governance system in 2020-21.</li> <li>• Departmental workforce plans are being embedded in Business Plans with a forward look to show full upcoming requirements</li> <li>• Corporate Engagement Lead and Internal Communications delivering a corporate change campaign starting by feeding back and communicating actions in response to the Staff Survey results and cascading information about the fundamental review. All Fundamental Review / staff survey sessions now completed. Approved Corporate Strategy &amp; Performance Team re-organisation includes two new permanent posts with responsibility for providing comms colleagues with clear messaging to be used in comms to staff and stakeholders.</li> <li>• A change team is being put together for specific support for the anticipated changes due to fundamental review, monitoring of redundancies for the notification to BEIS ( Business, Energy and Industrial Strategy ) is</li> </ul>	<p>Likelihood</p>  <p>Impact</p>	<p>4</p>	<p>31-Mar-2020</p> <p>■</p>

Page 128	05-Dec-2018 John Barradell			<p>already established. Although the changes as a direct result of FR will be some way off, departments are obviously preparing for this and there are 5 restructures in JE at the moment. A Change Took Kit is also available.</p> <ul style="list-style-type: none"> <li>The L&amp;OD team are building support for Managers, Teams and Individuals to manage the review period and the subsequent changes in the most effective way possible. Team support will include interventions and individual support will include information advice and guidance. The L&amp;OD team are also working with IT on training for staff to adopt and make best use of available technologies to both drive and support change.</li> <li>The Policy Team are reviewing the policies and procedures around change and change management.</li> </ul>				Constant
				28 Oct 2019				

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR27a	To build the capability to look across existing and proposed programmes of work and assess their comparative benefits, risks and resource requirements and understand their interdependencies	<ul style="list-style-type: none"> <li>Corporate Strategy &amp; Performance’s Corporate Engagement Lead role 12m pilot in place Dec 2018. PMO’s Programme Management Review running concurrently. Plan to bring these capabilities together as part of a single, streamlined officer governance system</li> <li>Departmental workforce plans are being embedded in Business Plans with a forward look to show full upcoming requirements</li> </ul>	Kate Smith	28-Oct-2019	31-Mar-2020

CR27b	To help staff understand why, how and what we're changing to increase engagement and take-up and deliver benefits	Corporate Engagement Lead and Internal Communications delivering a corporate change campaign starting by feeding back and communicating actions in response to the Staff Survey results and cascading information about the fundamental review. All Fundamental Review / staff survey sessions now completed. Approved Corporate Strategy & Performance Team re-organisation includes two new permanent posts with responsibility for providing comms colleagues with clear messaging to be used in comms to staff and stakeholders.	Kate Smith	28-Oct-2019	31-Jan-2020
CR27c	To build capacity and develop and grow our in-house capability and skills to manage change	<ul style="list-style-type: none"> <li>• A Change Management support team has been established this is scrutinising change proposals where they involve restructures and potential redundancies, this panel is also a preassessment panel for job evaluation and absorbs the monitoring of redundancies for the notification to BEIS ( Business, Energy and Industrial Strategy ).</li> <li>• . A Change Took Kit is also available alongside the change modules on City Learning.</li> <li>• The L&amp;OD team are building support for Managers, Teams and Individuals to manage the review period and the subsequent changes in the most effective way possible. Several team interventions have already taken place and the managers and individual support modules will be rolled out this month. Team support will include interventions and individual support will include information advice and guidance. The L&amp;OD team are also working with IT on training for staff to adopt and make best use of available technologies to both drive and support change.</li> <li>• The Policy Team are reviewing the policies and procedures around change and change management.</li> </ul>	Chrissie Morgan	28-Oct-2019	31-Dec-2019

This page is intentionally left blank





## Corporate risks - Review history by status

Generated on: 04 November 2019

Rows are sorted by Risk Score

Code	Title	Creation Date	Risk Level Description	Risk Category Description	Current Risk Matrix	Current Risk Score	Target risk score rating	Target Risk Score	Recent Reviews	Risk Score	Historical Status	Likelihood	Impact	Flight path
Page 20 Page 131	Road Safety	23-Oct-2015	Corporate	Health and Safety		24		16	11-Oct-2019	24		Possible	Extreme	
									12-Aug-2019	24		Possible	Extreme	
									17-Jul-2019	24		Possible	Extreme	
									12-Jul-2019	16		Unlikely	Extreme	
									27-Jun-2019	16		Unlikely	Extreme	
CR24	Operational Security	07-Jun-2017	Corporate	Physical		24		16	04-Nov-2019	24		Possible	Extreme	
									04-Sep-2019	24		Possible	Extreme	
									04-Sep-2019	24		Possible	Extreme	

Code	Title	Creation Date	Risk Level Description	Risk Category Description	Current Risk Matrix	Current Risk Score	Target risk score rating	Target Risk Score	Recent Reviews	Risk Score	Historical Status	Likelihood	Impact	Flight path
Page 132									09-Jul-2019	24		Possible	Extreme	
									02-Jul-2019	24		Possible	Extreme	
									04-Sep-2019	24		Possible	Extreme	
									25-Jun-2019	24		Possible	Extreme	
									07-Jun-2019	24		Possible	Extreme	
									23-May-2019	24		Possible	Extreme	
									07-Oct-2019	24		Possible	Extreme	
									07-Oct-2019	24		Possible	Extreme	
CR17	Safeguarding	22-Sep-2014	Corporate	Safeguarding		16		8	29-Oct-2019	16		Unlikely	Extreme	
									05-Sep-2019	16		Unlikely	Extreme	
									20-Mar-2019	8		Rare	Extreme	
									25-Jan-2019	8		Rare	Extreme	
									13-Nov-2018	8		Rare	Extreme	
CR23	Police Funding	21-Nov-2016	Corporate	Financial		16		12	04-Nov-2019	16		Likely	Major	

Code	Title	Creation Date	Risk Level Description	Risk Category Description	Current Risk Matrix	Current Risk Score	Target risk score rating	Target Risk Score	Recent Reviews	Risk Score	Historical Status	Likelihood	Impact	Flight path
									24-Sep-2019	16		Likely	Major	
									25-Jul-2019	16		Likely	Major	
									23-May-2019	16		Likely	Major	
									27-Mar-2019	16		Likely	Major	
CR01	Resilience Risk	20-Mar-2015	Corporate	Physical		12		12	16-Oct-2019	12		Possible	Major	
									17-Sep-2019	12		Possible	Major	
									02-Sep-2019	12		Possible	Major	
									08-Jul-2019	12		Possible	Major	
									07-Jun-2019	12		Possible	Major	
CR02	Loss of Business Support for the City	22-Sep-2014	Corporate	Economic		12		8	04-Nov-2019	12		Possible	Major	
									16-Oct-2019	12		Possible	Major	
									17-Sep-2019	12		Possible	Major	
									17-Sep-2019	12		Possible	Major	
									08-Jul-2019	12		Possible	Major	

APPENDIX 2

Code	Title	Creation Date	Risk Level Description	Risk Category Description	Current Risk Matrix	Current Risk Score	Target risk score rating	Target Risk Score	Recent Reviews	Risk Score	Historical Status	Likelihood	Impact	Flight path
CR09	Health Safety and Wellbeing Risk (Management System)	22-Sep-2014	Corporate	Health and Safety		12	▲	8	16-Oct-2019	12	▲	Possible	Major	
									02-Sep-2019	12	▲	Possible	Major	
									21-Aug-2019	12	▲	Possible	Major	
									16-Aug-2019	8	▲	Likely	Serious	
									09-Jul-2019	12	▲	Possible	Major	
CR10 Page 134	Adverse Political Developments	22-Sep-2014	Corporate	Political		12	▲	12	04-Nov-2019	12	▲	Possible	Major	
									12-Sep-2019	12	▲	Possible	Major	
									28-Aug-2019	12	▲	Possible	Major	
									25-Jul-2019	12	▲	Possible	Major	
									28-Jun-2019	8	▲	Rare	Extreme	
CR16	Information Security (formerly CHB IT 030)	10-May-2019	Corporate	Technological		12	▲	8	09-Oct-2019	12	▲	Possible	Major	
									29-Aug-2019	12	▲	Possible	Major	
									01-Jul-2019	12	▲	Possible	Major	
									01-Jul-2019	12	▲	Possible	Major	

Code	Title	Creation Date	Risk Level Description	Risk Category Description	Current Risk Matrix	Current Risk Score	Target risk score rating	Target Risk Score	Recent Reviews	Risk Score	Historical Status	Likelihood	Impact	Flight path
									14-Jun-2019	8		Unlikely	Major	
CR21	Air Quality	07-Oct-2015	Corporate	Environmental		12		6	11-Oct-2019	12		Possible	Major	
									05-Sep-2019	12		Possible	Major	
									07-Aug-2019	12		Possible	Major	
									02-Jul-2019	12		Possible	Major	
									13-May-2019	12		Possible	Major	
CR29	Information Management	08-Apr-2019	Corporate	Technological		12		6	14-Oct-2019	12		Possible	Major	
									02-Sep-2019	12		Possible	Major	
									09-Aug-2019	12		Possible	Major	
									22-May-2019	12		Possible	Major	
									08-Apr-2019	12		Possible	Major	
CR26	Brexit – Organisational Impact	11-Oct-2018	Corporate	Brexit		8		6	04-Nov-2019	8		Unlikely	Major	
									25-Oct-2019	12		Possible	Major	
									25-Oct-2019	8		Unlikely	Major	

APPENDIX 2

Code	Title	Creation Date	Risk Level Description	Risk Category Description	Current Risk Matrix	Current Risk Score	Target risk score rating	Target Risk Score	Recent Reviews	Risk Score	Historical Status	Likelihood	Impact	Flight path
									15-Oct-2019	12		Possible	Major	
									08-Oct-2019	12		Possible	Major	
CR25	General Data Protection Regulation Compliance	01-Dec-2017	Corporate	Legal		6		4	25-Sep-2019	6		Possible	Serious	
									27-Jun-2019	6		Possible	Serious	
									21-May-2019	6		Possible	Serious	
									03-Apr-2019	6		Possible	Serious	
									26-Mar-2019	6		Possible	Serious	
CR27	Change Management	05-Dec-2018	Corporate	Managerial/ Professional		6		4	28-Oct-2019	6		Possible	Serious	
									17-Sep-2019	6		Possible	Serious	
									02-Sep-2019	6		Possible	Serious	
									01-Jul-2019	6		Possible	Serious	
									06-Jun-2019	6		Possible	Serious	

Page 36

## Summit Group approved new Corporate risks

1. CR30 Climate Action
2. CR31 Fundamental review

Report Author: Paul Dudley



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
<b>CR30 Climate Action</b> Oct-2019 John Barradell	<p><b>Cause:</b> Insufficient resources and prioritisation allocated to Climate Action.</p> <p><b>Event:</b> The City Corporation does not adopt a credible Climate Action Strategy to meet the challenges and effects of climate change, as it affects the discharge of its role and responsibilities across its own organisational assets within the Square Mile and beyond (i.e. we have open spaces, offices, property assets and housing outside the Square Mile), as well as its role and responsibilities as the governing body of the Square Mile.</p> <p><b>Impact:</b> As the governing body of the Square Mile dedicated to the City, there are a range of potential impacts including:</p> <ul style="list-style-type: none"> <li>• failing to deliver on the climate ambitions in our Responsible Business Strategy;</li> <li>• damaging the City’s credibility in Green Finance and Insurance markets;</li> <li>• reducing our ability to play a major role in the 2020 UN Climate Change Conference COP 26 in Nov 2020;</li> </ul>	 Likelihood Impact 24		 Likelihood Impact 4	30-Jun-2020	 Constant

## APPENDIX 4

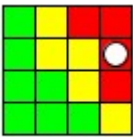
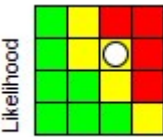

<ul style="list-style-type: none"> <li>• reducing our ability to effectively reduce carbon emissions in the next two carbon budget periods (2022 and 2027)</li> </ul> <p>failing to adequately invest in climate resilience measures.</p>					
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--	--	--	--	--

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR30a	Develop evidence on carbon emissions from the City Corporation’s property portfolios and identify actions to reduce emissions – Scope 1 and 2.		Paul Wilkinson		30-Jun-2020
CR30b	Develop evidence on carbon sequestration from City Corporation managed Open Spaces.		Colin Buttery		30-Jun-2020
CR30c	Develop evidence on Scope 3 emissions from the City Corporation’s supply chain.		Peter Kane		30-Jun-2020
CR30d	Develop parameters and metrics to demonstrate accurate measurement and reporting of Scope 3 emissions for the City Corporation		Paul Wilkinson		30-Jun-2020
CR30e	Review exposure in equity and property portfolios of the Corporation to investments that are not in line with current ESG standards		Damian Nussbaum		30-Jun-2020
CR30f	Develop a research plan for assessment of Scope 3 emissions for the Square Mile aiming to identify the top 10 emissions sources.		Carolyn Dwyer		30-Jun-2020
CR30g	Develop a climate resilience adaptive pathways model to establish critical thresholds, before which actions must be taken to adapt to climate related flood risk, overheating, infrastructure protection.		Carolyn Dwyer		30-Jun-2020
CR30h	Draft Climate Action Strategy in line with the government’s 5-year carbon budget periods (2017-22, 2023-27, 2028-32 etc).		Sufina Ahmad		30-Jun-2020
CR30i	Summit Group approval of Climate Action Strategy with associated funding secured through the 2019 City Corporation’s Fundamental Review.		Sufina Ahmad		30-Jun-2020



## APPENDIX 4

CR30j	Update the AECOM Zero Emissions City report with the most up to date BEIS data on carbon emissions for the Square Mile - Scope 1 and 2		Carolyn Dwyer		30-Jun-2020
CR30l	Use evidence to set targets for carbon reduction trajectory and identify Net Zero Carbon target date for the City Corporation and Square Mile.		Carolyn Dwyer; Paul Wilkinson		30-Jun-2020

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
<b>CR31</b> <b>Fundamental review delivery</b> <span style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 139</span>	<p><b>Cause:</b> Anticipated decline in public sector funding (local government and Police), increasing demands (revenue and capital) and an ambitious programme of major project delivery threaten our ability to continue to deliver a vibrant and thriving Square Mile.</p> <p><b>Event:</b> Compensatory savings and/or income generation to meet the Corporation's forecast medium term financial deficit are not fully realised through the Fundamental Review. Police <i>Transform</i> programme fails to realise the budget mitigations anticipated.</p> <p><b>Effects:</b></p> <ul style="list-style-type: none"> <li>Additional savings over and above those identified through the Fundamental Review to meet this challenge are required and/or general reserves are utilised and/or services stopped.</li> <li>Stakeholders experience the impacts of reduced services / service levels</li> <li>The City Corporation's reputation is damaged due to failure to meet financial objectives or the need to reduce services / service levels to business and community.</li> </ul>	 <p>Likelihood</p> <p>Impact</p>	24	<p>The Town Clerk and Chief Officers have briefed all staff in meetings and / or through online communications.</p> <p>The Chair of Policy, Chairman of Finance and their Deputies and Vices are continuing rounds of Member briefings to ensure Members are engaged and informed.</p> <p>Chief Officers have submitted options to meet the objectives of the Fundamental Review.</p> <p>The Resource Allocation Sub Committee held an Away Day in July 2019 to start to consider the impact of the Fundamental Review.</p> <p>A second RASC Away Day took place in October 2019 to review revised options. A third is being scheduled to review the remainder.</p>	 <p>Likelihood</p> <p>Impact</p>	12	31-Mar-2020	

## APPENDIX 4

07-Oct-2019 John Barradell	<p>Being unable to set a balanced budget which is a statutory requirement for City Fund.</p> <p>Spend is not aligned to Corporate Plan outcomes resulting in wasted resources and/or poor performance.</p>			<p>The Fundamental Review Working Group have refined the approach to ensure that the Fundamental Review can deliver its objectives and provide Member will real resource allocation choices.</p> <p><b>07 Oct 2019</b></p>			Constant
-------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--	--	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--	--	----------

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR31a	Agree the Fundamental Review design principles	Project Governance established with Town Clerk as SRO and Chamberlain as DSRO. The Fundamental Review Working Group were established and tasked with delivering the Fundamental review process and activity, to be led by CAB and KS.	John Barradell; Peter Kane	07-Oct-2019	31-Oct-2019
CR31b	Chair and Deputy Chairman of RASC, and their Policy and Finance Deputies and Vices, plus the Chair of Estab, to be briefed regularly on the review's progress	Regular meetings have been held.	Caroline Al-Beyerty; Kate Smith	07-Oct-2019	31-Mar-2020
CR31c	Chief Officers to produce save and spend options for the July and October RASC awaydays.	Options were submitted ahead of the July RASC awayday. The departmental options submitted did not go far enough in both value and level of ambition for change. Over the summer work has progressed to challenge Chief Officers on their assessment of the difficulty and impact of implementing options.  Refined options were re-submitted in September 2019.	Caroline Al-Beyerty; Kate Smith	07-Oct-2019	31-Mar-2020
CR31d	Employees and Trade Unions are informed of progress	Staff briefings have been held during April, May and June 2019, reaching 23% of staff.  TC Bulletins have been sent to all staff.  Chief Officers have briefed staff.  HR have briefed Trade Unions on progress to date during Summer 2019.	Caroline Al-Beyerty; Kate Smith	07-Oct-2019	31-Mar-2020
CR31e	RASC Members are provided with the relevant information to make informed decisions	Fundamental Review options from departments have been aligned to corporate outcomes and circulated to members for their political steer.  Findings from the top down thematic reviews and financial impact of the proposals presented to members at 2 October 2019 RASC Away Day.	Caroline Al-Beyerty	07-Oct-2019	31-Mar-2020

**APPENDIX 4**

		<p>Members have considered the ‘green’ rated proposals, with support given for the majority.</p> <p>Members started to consider the amber and red rated options.</p> <p>Further away day being scheduled to consider the proposals by theme.</p>			
CR31f	Major Projects are working within set budgets. Any overspend or further budget allocation will necessitate further revenue budget savings and/or investment liquidation	<p>Major Projects are being managed by Assistant Town Clerk &amp; Director of Major Projects.</p> <p>City Surveyor and Chamberlain are managing progress and budget through a number of working groups according to the governance of each project. A Major Projects Management Office will be established to strengthen overall control of the Major Projects.</p>	Peter Kane; Peter Lisley; Paul Wilkinson	07-Oct-2019	31-Mar-2020
Cr31g	Communication to service committees	<p>CPR holds regular Member briefings and gives updates at Court.</p> <p>Briefing note circulated to all members of the Court of Common Council. Service Committee Chairmen are requesting clarification of the role of service committees in the process</p>	Caroline Al-Beyerty; Kate Smith	07-Oct-2019	31-Mar-2020

This page is intentionally left blank



## Top RED departmental risks - Short risk summary report

**Report Type:** Risks Report

**Report Author:** Paul Dudley

**Generated on:** 07 November 2019

Rows are sorted by Risk Score

Risk Code & Title	Ownership Managed By	Current Likelihood	Current Impact	Current Risk Score	Target Likelihood	Target Impact	Target Risk Score	Target Date	Flight path
BBC Ex Halls 003 Exhibition Halls Compliance and Condition Risk Resulting from Bow-Wave	Jonathon Poyner	Possible	Extreme	24	Unlikely	Major	8	31-Mar-2021	
BBC Buildgs 006 Ex Halls Electrical Condition	Jonathon Poyner	Likely	Major	16	Possible	Major	12	01-Apr-2020	
BBC Buildgs 007 High Risk Hazardous Work Areas	Jonathon Poyner	Likely	Major	16	Unlikely	Major	8	31-Dec-2021	
BBC Commerc 003 Brexit Impact of Brexit on the Movement of Talent, Technical and Production Staff and Temporary Movement of Cultural Goods	Nicholas Kenyon	Likely	Major	16	Possible	Major	12	31-Mar-2020	
BBC Finance 001 Financial Targets Not Achieved, Including Income and Expenditure Volatility	Sandeep Dwesar	Likely	Major	16	Unlikely	Major	8	31-Dec-2019	
BBC Finance 003 Funding Cuts	Sandeep Dwesar	Likely	Major	16	Possible	Major	12	31-Dec-2019	

Risk Code & Title	Ownership Managed By	Current Likelihood	Current Impact	Current Risk Score	Target Likelihood	Target Impact	Target Risk Score	Target Date	Flight path
BBC H&S 005 Failure to Deliver the Fire-Related Projects	Jonathon Poyner	Unlikely	Extreme	16	Rare	Serious	2	01-Sep-2021	
DCCS ED 001 Failure to deliver City of London Academy expansion programme	Gerald Mehrrens	Likely	Major	16	Unlikely	Serious	4	31-Dec-2020	
GSMD SUS 004 Failure to mitigate against a potential fall in EU student numbers as a result of Brexit	Jo Hutchinson; Jeremy Newton	Likely	Major	16	Unlikely	Major	8	31-Dec-2019	
MAN CCC 002 Working at Height	Vic Annells	Unlikely	Extreme	16	Unlikely	Major	8	31-Mar-2020	
QSD 004 Repair and Maintenance of Buildings and Structural Assets summary risk	Colin Buttery;	Unlikely	Extreme	16	Unlikely	Major	8	31-Mar-2020	
QSD 005 Pests and Diseases summary risk	Colin Buttery;	Likely	Major	16	Possible	Major	12	30-Apr-2020	
QSD 007 Maintaining the City's water bodies summary risk	Colin Buttery	Unlikely	Extreme	16	Rare	Extreme	8	31-Mar-2022	
SUR CB 003 City Bridges: – Substantial vessel strikes	Paul Wilkinson	Unlikely	Extreme	16	Unlikely	Extreme	16	31-Mar-2020	
SUR CB 006 City Bridges: – Wanton Damage / Terrorism	Paul Wilkinson	Likely	Major	16	Possible	Serious	6	31-Mar-2020	
SUR CB 007 City Bridges: – Tunnelling for the Thames Tideway Tunnel	Paul Wilkinson	Likely	Major	16	Likely	Major	16	31-Mar-2021	

Page 145

<b>Committee</b> Audit and Risk Management Committee	<b>Dated:</b> 19 November 2019
<b>Subject:</b> Deep Dive: CR01 Resilience – Event or situation related to terrorism or another serious event/major incident	<b>Public</b>
<b>Report of:</b> The Town Clerk & Chief Executive	<b>For Information</b>
<b>Report author:</b> Gary Locker, Head of Resilience, Town Clerk’s Department	

## Summary

The strategic risk reflects issues for which the City of London Corporation has both primary responsibility and control. This review has focused on the preparedness of the City of London Corporation and its delivery departments to respond effectively to an emergency related to terrorism or another serious events/major incident.

For clarity, the current definition of a ‘major incident’ is an event or situation requiring the implementation of special arrangements by one or more of the emergency services following an incident:

- Involving either directly or indirectly large numbers of people
- The rescue and transportation of a potentially large number of casualties
- The large-scale combined resources of Police, London Fire Brigade & London Ambulance Service
- The mobilisation and organisation of the emergency services and support services, for example a Local Authority to cater for the threat of death, serious injury or homelessness via set up of emergency rest centres and humanitarian support through volunteer local authority employee crisis support teams
- The handling of a large number of media enquiries likely to be generated both from the public and news media
- Acts of terrorism

The legislation governing emergency preparedness and response, the Civil Contingencies Act 2004, along with Cabinet Office guidance within the Civil Protection framework requires organisations tasked with the responsibility of planning for emergencies to plan for the generic ‘consequences’ of an event rather than the cause or source.

This review has also examined the effectiveness of our engagement with key partner agencies involved in responding to major incidents of this nature, as well as our work with the Square Mile business' and residential communities. The risk is owned and managed by the Town Clerk.

### **Recommendation**

Members are asked to note the report.

### **Main Report**

#### **Introduction**

1. This deep dive report on CR01 Resilience Risk has been prepared at the request of the Audit and Risk Management Committee. The risk has several components for the City of London Corporation resulting from its roles as an employer, a provider of local government services and as the Police Authority for the Square Mile. The risks from a policing perspective are managed by the Commissioner of Police. The remaining elements cover a range of operational areas including disaster recovery/business continuity, building management, employee and community safety. Under the Civil Contingencies Act 2004, the City of London Corporation (defined by the Act as a Category 1 responder) also has a responsibility to support its local businesses and residential communities during an emergency or in the aftermath of a major incident.

#### **Context**

2. The UK faces a serious and challenging threat from international terrorism. The UK threat level, determined by the Joint Threat Analysis Centre (JTAC) for international terrorism, is currently at SUBSTANTIAL, meaning an attack is likely. In the context of the City of London, the City of London Police has the lead responsibility for disrupting and preventing a terrorist attack as well as leading the initial response to an attack. They are supported in this task by the Metropolitan Police service, British Transport Police, security services and other partners, including the City of London Corporation. Further detail in respect of the terror related threat can be found in the CR24, Operational Security Risk Update.
3. The City of London Corporation must also plan to respond to a multitude of other foreseeable risks. The City of London Risk Register is a publicly available document on the City Corporation's website which focuses on the most impactful emergencies that could happen in the square mile or elsewhere in the UK. Using the National Risk Assessment and the Greater London Risk Register as the starting point, this assessment includes details of how likely they are to happen and the impacts if they do occur. This includes the impacts to people, their property, the environment and local businesses. The Local Risk Register is designed to inform the square mile community about the risks that could occur and how those risks could impact their daily activities. It is intended as a tool for driving better preparedness across the whole community.



## **Statutory Requirements**

4. The Civil Contingencies Act 2004 places statutory duties upon the City of London Corporation to ensure that it is prepared to respond to emergencies and major incidents. Under this Act the City of London Corporation has several specific duties, which include:
  - Assessing the risk of emergencies occurring and use this information to inform contingency planning
  - Put in place emergency plans
  - Put in place business continuity management arrangements
  - Put in place arrangements to make information available to the public about civil protection matters and maintain arrangements to warn, inform and advise the public in the event of an emergency
  - Provide advice and assistance to businesses' and voluntary organisations about business continuity management
  - Share Information with other local responders to enhance co-ordination
  - Co-operate with other local responders to enhance co-ordination and efficiency

## **Current Position**

5. The issues for the City of London Corporation to manage would include:
  - Dealing with damage to specific areas and buildings, for example Guildhall
  - Employee and community welfare
  - Public and business confidence
  - Co-ordination of the services for the City of London Corporation
  - Emerging Public Protest

## **Business Continuity Planning**

6. Following an independent assurance review carried out by the Cabinet Office Emergency Planning College of the City of London Corporation's business continuity management system. A number of recommendations were made to assist the organisation in building its resilience. A working group has now been established, consisting of departmental business continuity leads, led by the resilience team to follow up on the recommendations made in the report. This group meets quarterly to focus on business continuity activity, in particular, departmental business impact analysis systems.

7. The organisation requires a comprehensive, yet simplified, way to deliver business continuity for all departments across the Corporation. To this end, the Resilience Team have secured a trial across departments, of a software programme called Clearview. This is a software system designed specifically for business continuity purposes. Following trials of this system, consultation with departmental business continuity leads will determine if this is a suitable and appropriate system that we could then pursue via a procurement process.
8. The Critical Applications and Services list has been redefined based on new criteria and is covered by the Application Management Policy, which is due for review by the Strategic Resources Group. This will ensure that new applications and services likely to be critical to the organisation are procured, architected and supported in such a way to allow them to be managed properly as Critical. It also allows the organisation to focus the correct resources to applications which are critical.
9. The IT Team have created a draft Technology Roadmap, which includes improving the reliability and resilience of technology tools, applications and services through greater adoption of the Public cloud, further developing on the previous move of services into the Agilisys Infrastructure as a Service (IaaS) environment. In addition, the planned move to public cloud affords a greater use of monitoring and security tools to help maintain the resilience and security of the Corporation's technology and information assets.
10. The IT team have created series of rolling, ongoing disaster recovery and resilience tests which began in June 2019 and will continue throughout. These consist of testing against a number of scenarios delivered through technical tests, simulations and desktop exercises.

### **Developing Key Areas of Capacity, Capability & Partnership**

11. The City of London Corporation has plans in place to support employees following an incident, including the availability of a staff emergency number. The Resilience Team in conjunction with the Department of Community and Children's Services also have arrangements to care for the residential community should they become displaced by an incident; this is facilitated through the establishment of rest centres. Support is also available for the business community, for example, through the establishment of a business information centre, whereby briefings will be provided by Corporation service departments and the emergency services to businesses in the Square Mile severely affected by an incident that affected their premises.
12. Following the London Bridge attack, the City of London Police and City of London Corporation carried out a series of debriefs. A number of lessons have been identified and since implemented into the overall planning and resourcing of our survivor reception centre process. A live test exercise is currently being developed to be facilitated on the 26<sup>th</sup> of February 2020. The objective is to test the capability, capacity and systems of our survivor reception centre at a new location, to act as the reception centre in supporting the city community in the aftermath of a major incident.

13. The City of London Corporation has a comprehensive emergency management plan that is regularly reviewed and exercised locally and is part of the wider Pan London exercise programme. The most recent test was 'Exercise Safer City' held over two days on the 1<sup>st</sup> and 2<sup>nd</sup> of May 2019. The theme for this year's exercise was a water contamination incident carried out over a 2-day period. The key element of this exercise for the City of London Corporation was to validate and test its command and control procedures, in particular, the Strategic Lead, Tactical Lead and the emergency coordination centre mechanisms. This exercise once again provided a valuable opportunity for recently trained and accredited senior staff to perform the role of strategic and tactical leads in a real time scenario as well as other staff volunteering roles.
14. The City of London Corporation recognised it had a reduced capability in terms of appropriate and experienced staff at the senior level, to act as Strategic and Tactical leads for a pre-planned City event, such as Banquets, the Lord Mayor Show or during a Major incident impacting the City. A training analysis was carried out resulting in Senior staff attending 2 command courses. The programme included inputs based on Crisis Communications, including television, newspaper, social media a full day in a mock public inquiry court with a solicitor advocate and a session on community resilience. There is now an increased capacity and capability of key staff within the City of London Corporation, with a cadre of Strategic and Tactical trained senior staff. Refresher and further courses with a revised programme are planned for 2020.
15. The command training was recently tested in a live environment during the Animal Rebellion Protest at Smithfield Market, Billingsgate Market and wider Extinction Rebellion incursion into the City. The City of London Corporation key staff engaged with City of London Police and partners in preparation for protest activity and a full command structure. An event liaison team was also put in place as part of the response for the duration of the protests. A full structured debrief will be carried out on the 2<sup>nd</sup> of December 2019 to examine any lessons that can be identified from the City of London Corporation's response. The National College of Policing have been invited by the Corporation to facilitate this debrief. Any findings will be incorporated into the emergency planning and response processes for the future.
16. The Resilience Team, through its crisis support team training, have an arrangement with First Aid Nursing Yeomanry (FANY), to deploy with City of London volunteers to an emergency centre in the City should one be required to support the local community. Several FANY managers and members have attended training facilitated by City of London Corporation. This features as part of the Resilience team commitment to increasing its capability to respond to the community and its people as part of our commitment to increase humanitarian assistance capability.
17. The City of London Corporation's Head of Resilience chairs the local City of London Resilience Forum. This forum provides the mechanism for local partners and responders, as defined in the Civil Contingencies Act 2004, who have statutory duties, to meet for co-operation and information sharing between agencies. The Corporation invites several key local businesses identified by sector, as part of this partnership. Previous work with the business community conducted a number of

thematic workshops designed to explore and understand the needs of the City business community in terms of preparation and response during a 'major incident', including key risks terrorism and public order. The membership of business on the local forum means businesses receive first-hand and up to date information on growing trends and an opportunity to share learning and exchange information in the resilience network.

18. The City of London Corporation Resilience team now operate a 24hour standby call out rota and have responded to several localised incidents in the last twelve months. This service guarantees a resilient capability resource on behalf of the City of London Corporation at any time of the day throughout the year.
19. The City of London Corporation Emergency Management Plan is currently under review taking into consideration lessons identified from events over the past 12 months and was also the subject of a Corporate wide emergency planning review carried out by Chamberlains Audit department in April 2018.

## **Conclusion**

20. The City of London has comprehensive plans that cover emergency response, business continuity and disaster recovery. These plans meet the requirements established by Central Government through the Cabinet Office and have been benchmarked against those of all London Local authorities. The Resilience Team along with key City of London Corporation departments, emergency services, voluntary agencies and City business' continually strive to maintain an awareness and overview of emerging threats, hazards and trends, to ensure a resilient City that can respond to major incidents that may impact locally, to provide support to wider London incidents and has the ability to engage in longer term recovery where required.

In January 2018 a review was commissioned by the City of London Corporation on behalf of the Local Authorities Panel. The objective of the review was to recommend the means by which London Local Government can individually and collectively assure their organisational preparedness, through capacity and capability. The Local Authority Panel endorsed the review and a set of resilience standards replaced the previous Minimum Standards for London assessment, which had been referred to in a previous committee report. As part of the resilience standards consultation, the City of London Corporation participated in a self-assessment resilience assurance process, along with other Central London Boroughs. Further self-assessment and peer challenges are set for the future as a way of developing the organisation's capacity and capability in preparing for and responding to civil emergencies in line with our statutory responsibilities and support for the City of London local community.

## **Appendices**

### **Appendix 1 – CR01 Resilience Risk Register Entry**

#### **Gary Locker**

Head of Resilience, Town Clerk's Department

T: 020 7332 1969

E: Gary.Locker@cityoflondon.gov.uk

# CR01 Resilience Risk

Report Author: Paul Dudley

Generated on: 07 November 2019



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
<b>CR01 Resilience Risk</b> Score 151  20-Mar-2015 John Barradell	<b>Cause</b> - Lack of appropriate planning, leadership and coordination <b>Event</b> - Emergency situation related to terrorism or other serious event/major incident is not managed effectively <b>Effect</b> - 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	<ul style="list-style-type: none"> <li>Business Continuity training complete. Action plan now in place to implement key recommendations from the training and BIA process</li> <li>BECC Training session complete, process and call out still to be finalised. Cycle of training to continue</li> </ul> 05 Nov 2019	Likelihood  Impact	12	30-Apr-2020	  Constant

Action no	Action description	Latest Note			Action owner	Latest Note Date	Due Date
CR01L	Assurance process with Cabinet Office College Provide refresher and initial training for Col staff, this training intended to increase knowledge to ensure BC plans are able to support the Col maintain its business	Action place now in place to implement key recommendations from the training and BIA process			Gary Locker	05-Nov-2019	30-Apr-2020

	during a major incident, provide an in depth independent oversight of the Col business impact analysis, identifying its most critical business areas				
CR01M	process, training, call out process to strengthen the City capability and resilience in responding to major incident and complying with the wider London boroughs standardisation programme	Training for this session complete, process and call out still to be finalised	Gary Locker	05-Nov-2019	31-Dec-2019
CR01N	to increase City capability and resilience in also supporting wider London boroughs during major incident response, Local Emergency Control Centres, Emergency centres as part of a wider humanitarian	BECC training as part of this process completed March 2019, cycle of training to continue Further staff awareness date planned 25/6/19 as part of cycle of training/awareness	Gary Locker	05-Nov-2019	31-Dec-2019
CR01Q	Plan an annual calendar of IT DR tests, covering critical systems and services	Rolling DR Tests have commenced. Papers describing this have been submitted to Audit and Risk and Digital Services Subcommittees	Matt Gosden	05-Nov-2019	31-Mar-2020
CR01R	All COL and COLP comms and data rooms are being audited with a view to: <ul style="list-style-type: none"> <li>• Assessing power and security provision</li> <li>• Update the Comms Room Policy and MoU with City Surveyors, including categorisation of rooms into critical and non-critical.</li> </ul> Provide recommendations for a project to improve the power/UPS resiliency in these rooms.	Audits almost complete. Report due to be completed by mid-Dec 2019 with recommendations for process of ongoing assurance and compliance and upgrade works to achieve minimum standards (subject to Capital bid.)	Matt Gosden; Kevin Mulcahy	05-Nov-2019	31-Dec-2019

<b>Committee(s)</b>	<b>Dated:</b>
Audit and Risk Management Committee	19.11.2019
<b>Subject:</b> Deep Dive: CR09 Health and Safety	<b>Public</b>
<b>Report of:</b> Chrissie Morgan, Director of Human Resources	<b>For Information</b>
<b>Report author:</b> Justin Tyas, Health Safety and Wellbeing Manager (People)	

## Summary

Corporate Risk 09 concerns the City of London Corporation’s health safety and wellbeing Management System and its application. Effective Health and Safety management enables innovation, growth and enhanced productivity, as well as helping the City Corporation to achieve its strategic objectives.

Protecting the health and safety of employees and others, including members of the public who may be affected by the City Corporation’s activities, is an essential part of successful risk management. Failure to comply can have serious consequences – for both organisations and individuals. Sanctions include fines, imprisonment and disqualification.

Since the last CR09 Deep Dive in November 2018:

- A revised risk description has been agreed so it is better aligned to the City Corporations objectives and remains relevant. The target risk score was also adjusted (reduced)
- Good progress has been made with the annual audit and inspection programmes for People and Property health and safety
- A key priority remains fire safety compliance and, as such, a Fire Safety Compliance Officer was appointed in mid-2019
- Policy development includes refreshing the overarching Corporate Health Safety and Wellbeing Policy, along with new corporate policies for Lone Working / Preventing Violence and Lifting and Work Equipment
- The health safety and wellbeing monitoring arrangements have been augmented and re-aligned to the Corporate Outcomes.
- A fatality to a member of public in the Men’s Pond (Hampstead) in June 2019 was investigated by the Health and Safety Executive. They have concluded that it was not a “work-related” accident, and also that no further action is being brought against the City Corporation. Robust application of our health and safety management system has had a ‘protective’ effect.

## Recommendation(s)

Members are asked to note the report.

### Main Report

#### Background

1. The basis of British health and safety law is the *Health and Safety at Work etc. Act 1974*. The Act sets out the general duties which employers have toward employees and others including members of the public, and employees have to themselves and to each other.
2. These duties are qualified in the Act by the principle of '*so far as is reasonably practicable*'. In other words, an employer does not have to take measures to avoid or reduce the risk if they are technically impossible or if the time, trouble or cost of the measures would be grossly disproportionate to the risk. The law requires effective management and informed common sense, which employers should be achieving anyway.
3. Failure to comply with these requirements can have serious consequences – for both organisations and individuals. Sanctions include fines, imprisonment and disqualification.
4. Under the *Corporate Manslaughter and Corporate Homicide Act 2007*, an offence is committed where failings by an organisation's senior management are a substantial element in any gross breach of the duty of care owed to the organisation's employees or members of the public which results in death. The maximum penalty is an unlimited fine and the court can additionally make a publicity order requiring the organisation to publish details of its conviction and fine.
5. Employers are required to make suitable (health and safety) arrangements for the effective planning, organisation, control, monitoring and review of the preventive and protective measures. Effective health and safety management enables innovation, growth and enhanced productivity, as well as helping the City Corporation achieve its strategic objectives.
6. The external enforcing authority for health and safety at the City of London of London Corporation is the Health and Safety Executive (HSE). Fire safety is enforced by the Fire and Rescue Service (Fire Brigade) under separate legislation (Regulatory Reform (Fire Safety) Order 2005).
7. The City Corporation's health and safety management system (using the HSE's *HSG 65* model) apply a *Plan, Do, Check, Act* approach, attempting a balance between the systems and behavioural aspects of management. It also treats health and safety management as an integral part of good general management, as opposed to a stand-alone system. The Health Safety and Wellbeing (People) Team (in Corporate HR) are the custodians of the health and safety management system.



**Current Position: Corporate Risk (CR) 09 - Health Safety and Wellbeing Risk (management system):**

8. The Audit and Risk Management Committee "Deep Dive" (Nov 2018) suggested that '*consideration be given to revisiting or splitting the current CR09 risk in order to focus on one or two more specific health and safety risks, such as fire safety compliance, was endorsed*'.
  9. CR09 was discussed twice at the Health Safety and Wellbeing Committee, at Chief Officer Risk Management Group and further by key stakeholders. There was no consensus on splitting the risk, but it was agreed that the risk should be re-scoped, and the risk score reviewed.
  10. A revised risk description was endorsed at the Health Safety and Wellbeing Committee in September 2019, and the Target Risk Score was also revised (reduced).
  11. The CR09 revised risk description is:  
**Cause** - *Lack of management grip/attention to effective health and safety in the workplace, management and staff competency, poor supervision and guidance, and ineffective controls and monitoring / feedback systems.*  
  
**Event** - *Significant breach/non-compliance with Statutory regulations and/or internal H&S policies and procedures by staff/managers whilst undertaking/delivery of City Corporation functions.*  
  
**Effect** - *Fatality or life-threatening illness / disease compromising the safety and wellbeing of service users, public or the workforce, potential enforcement action/financial penalties to City Corporation. Adverse effect on the delivery of the Corporate Plan: Especially Outcomes 1 & 2*
  12. **Current Risk Score - 12: Major x Possible [October 2019]**
  13. This Corporate Risk (CR 09) is reviewed on a regular basis at a frequency not exceeding three months. At each review the agreed actions designed to mitigate and manage this risk are reviewed, along with the system of internal controls. An evaluation of the risk score is undertaken based on a judgement of efficacy of the current controls. Consideration is given to any emerging evidence which could challenge the level of control.
  14. **Target Risk Score – 8: Rare x Extreme [Reduced from 12 to 8 in October 2019].**
- Risk Actions**
15. There is an established annual inspection and audit programme for Property and People health and safety. For example, audit, inspections and compliance checks have focused on water hygiene (legionella), fire safety, asbestos management, workplace transport and lone working/preventing violence. These are currently considered to be the areas of higher risk profile within the City Corporation (Action: **CR09J**).

16. Following the tragic fire at Grenfell Tower there has been increasing Corporate demand for reassurance on the suitability and sufficiency of the Corporation's fire safety management system, especially fire risk assessment. It has been possible to answer simpler enquiries such as '*are all Department property fire risk assessments in place?*' through reallocation of existing resources but subsequent questions regarding the quality of said fire risk assessments or if all actions from the fire risk assessments been closed out by Departments are more time consuming and complex to answer.
17. The Corporate Health, Safety and Wellbeing Committee, which had been monitoring the situation, recognised the need for an additional resource that could target auditing, compliance and offer additional support to Departments who are responsible for implementing key sections of the Corporate fire safety management plan. Request for Additional Funding of a Fire Safety Compliance Officer Post was made to Resource Allocation Sub-Committee (December 2018). The new post of Fire Safety Compliance Officer sits in the Property Health and Safety Team (City Surveyors) and was recruited in July 2018.
18. Training and development for Senior Management in larger organisations is one of the most important parts of any safety programme. The senior leadership team must be 'on-board' in order to give the safety initiative weight – and to understand how good safety practice contributes directly to service delivery, profitability or both. Senior managers need to understand their own role and accountabilities in 'making safety happen' (particularly in light of the Corporate Manslaughter legislation). Without the support and 'buy-in' of the Senior Management team, any health and safety programme will inevitably falter – and fail to deliver the benefits expected.
19. A programme of interactive senior leadership health and safety briefings was delivered for Chief Officers and their reports. This included all the higher risk profile departments as represented on the Health Safety and Wellbeing Committee. In addition, briefings were also completed for two of the City Corporation's Independent Schools and for the Guildhall School.
20. The top (and persistent) reason for reported sickness absence at the City Corporation is *anxiety/stress/depression/other psychiatric illnesses*. Grounded in a growing body of the evidence including awareness of best practice, the "CityWell" (employee wellbeing) programme was re-focused, following a report to the Establishment Committee in 2018 on mental health as the top priority, supported by a wider health promotion / wellness programme. A mental health and wellbeing action plan is in place and it is being regularly monitored.

#### **System of Internal Controls (IC)**

21. The following section highlights some of the key internal controls and systems in place to ensure the health and safety management system remains effective and relevant.

### **Health Safety and Wellbeing Committee**

22. The City Corporation has an effective Chief officer-led Health, Safety and Wellbeing Committee which is chaired by the Town Clerk and Chief Executive. This sets the tone from the top and facilitates buy-in. Its function is to advise and make recommendations to the City Corporation's Chief Officers on matters relating to the overall management of health, safety and wellbeing as established under the Health, safety and Wellbeing Policy.

### **Corporate Health Safety and Wellbeing Policy**

23. The Corporate Health Safety and Wellbeing Policy (HSP 1) was refreshed and amendments were then endorsed by the Establishment Committee (December 2018). The main changes were:
- Explicit reference made to the Corporate Plan (2018 – 2023) and its desired outcomes
  - Managers responsibilities for promoting the City Corporation's equality and inclusion objectives were added
  - A new appendix was agreed setting out the *Health and Safety Responsibilities for Schools* with the aim of ensuring clarity was given to the responsibilities for the Multi-academy Trusts and other such arrangements.

### **Corporate Lone Working / Preventing Violence Policy**

24. In December 2018 the Establishment Committee endorsed a new corporate Lone Working / Preventing Violence Policy. The purpose of the policy is to set a corporate framework with articulated responsibilities and arrangements, to protect staff, so far as is reasonably practicable, from the risks that are associated with lone working, violence and aggression.

### **New Corporate Lifting and Work Equipment Policy**

25. The new Arrangement sets standards that aim to make working life safer for everyone using and encountering Corporation owned and operated machinery /equipment. In achieving this aim, an intended benefit is improved compliance with the Provision and Use of Work Equipment Regulations 1998 and the Lifting Operations and Lifting Equipment Regulations 1998.
26. The new Policy was agreed by Summit Group in September 2019 subject to minor revisions. A new Corporate Pool Water Quality Policy was also agreed. In addition, revised Corporate Fire Safety and Control of Asbestos Policies were agreed by Summit Group in January 2019.

### **Most significant health and safety risks**

27. The Pentana (Risk Management Information System) is used to manage significant health and safety risks. Pentana enables departments to highlight their safety risks as a 'Top X' risk, emphasising any activities with considerable implications that are un-mitigated, or where there is a lack of clarity. Risks that are currently being administered effectively through Pentana include Traffic Management at Billingsgate Market, Work at Height and Fire Safety at Central Criminal Court, and High-Risk Hazard Work Areas at the Barbican Centre.

### **Key Performance Indicators**

28. The City Corporation has established Key Performance Indicators (KPIs) for health and safety including accident/incident reporting and investigation. The health and safety professionals have supported departments with their more challenging and/or significant health and safety investigations. This has helped to ensure that lessons are learned and are fed back into the development of the health and safety management system.
29. In September 2019 the Health Safety and Wellbeing Committee took the opportunity to refresh and development / augmentation of health safety and wellbeing performance measures. A revised corporate health safety and wellbeing dashboard, with agreed performance measures reported at a set frequency, should help to drive performance (including statutory compliance) and facilitate positive behaviour change.

### **Health and Safety (Property)**

30. The Property Health and Safety Team consists of five posts: A Health and Safety Manager, Fire Safety Advisor, Fire Compliance Advisor, Health and Safety Advisor (specialising in Asbestos and Water Safety) and Guildhall Health and Safety Advisor (covering Guildhall complex and specialising in event safety). The team has been instrumental in creating and negotiating new corporate policies and compliance standards that aim to deliver key safety and health objectives of the Corporate Plan. The team has been successful in informing and upskilling groups of managers and staff. Over the last 12-months there has been a heavy focus by the team on new Corporate contracts, supporting the City Corporation's major construction/ accommodation project, and building safety / fire compliance.

### **Health Safety and Wellbeing (People)**

31. The Health Safety and Wellbeing team is based in Human Resources and consists of a Manager, Health Safety and Wellbeing advisor; an Apprentice joined the team in August 2019. The Health Safety and Wellbeing Strategy (People) (2018 – 2023) was revised and refreshed to align with the new Corporate Plan.
32. Everything we do supports the delivery of the Corporate Plan's **three strategic objectives** and we contribute through the Human Resources Business Plan to the **twelve corporate outcomes**, especially:
  - **People are safe and feel safe** (Outcome 1);
  - **People enjoy good health and wellbeing** (Outcome 2)
33. The approach is informed by our corporate outcomes. These have been themed as CitySafe and CityWell respectively and form the principal strands of our contribution to the HR Business Plan and Transformation Programme. They have six overarching sub-themes:
  - **Managing risk well:** Simplifying risk management, enabling innovation and facilitating radical ways of working

- **Keeping pace with change:** Anticipating change and tackling new and emerging health and safety challenges
- **Tackling work-related ill-health:** Developing the wellbeing of our workforce, reducing the stigma around mental ill-health, and providing a safe and healthy working environment
- **Acting together:** Developing active and visible leadership in line with our Corporate Values and promoting broader health and safety ownership
- **Sharing our successes:** Growing and nurturing our staff through excellent learning and development opportunities, and celebrating our successes
- **Working well together:** Engaging with others holistically to add value, share resources, embed good practices, and develop behaviours

### **Corporate and strategic implications**

34. An established legal principle (case precedent) is that health and safety enforcement action can proceed on the basis of risk i.e. a loss does not have to occur for a successful prosecution (R-v-Board Trustees of the Science Museum: 1993).
35. The Sentencing Council published its guidelines for health and safety offences including Corporate Manslaughter in 2016. This marks a significant change by trying to ensure that those found guilty of health and safety offences are heavily penalised by the courts. It has resulted in a marked increase in the level of fines (which cannot be insured against).
36. Fines are based on an organisation's turnover rather than profit; even for a 'medium' sized organisation fines typically range from hundreds of thousands to several million pounds for those found most culpable of offences. During the first two years this has certainly been the case, with multiple fines exceeding £1,000,000.
37. The number of Directors prosecuted for health and safety offences has increased significantly in recent years. Data confirm that the Health and Safety Executive (HSE) is displaying an increased zeal to prosecute the most senior individuals within organisations.

### **Horizon scanning / keeping pace with change**

38. There is no current indication that there will be significant changes to the UK's health and safety legislative framework after leaving the EU. To note that, however, European Union driven legislation (Directives) has already been translated into United Kingdom law primarily as Regulations (subordinate legislation) under the Health and Safety at Work etc. Act 1974.
39. Amendments made to the Building Regulations 2010 can into force in December 2018 to limit the use of certain new materials on building over 18 meters which contain one or more dwellings. Recent government fire consultation has focused on buildings over 18 meters with residential accommodation. Once the consultation results have been reviewed, the government may move to implement legislation.

### **Mental health training and development / tackling work related ill-health**

40. Mandatory mental health awareness training for managers was agreed at the Establishment Committee in 2018 and good progress is being made in this regard.
41. Mental Health First Aid (MHFA) training is analogous to physical first aid. Whilst not a legal requirement, one is more likely to meet someone suffering distress / suicidal thoughts than someone experiencing physical ill-health or injury requiring intervention. The City Corporation took the decision to train in-house Mental Health First Aid Instructors and roll-out an internal programme of accredited MHFA training across the corporation. To date over 100 MH First Aiders have been trained.

### **Collaboration**

42. The Health Safety and Wellbeing Team hosted two expert led health and safety events in collaboration with external partners. In April 2019 a *Safety Services: Promoting Positive Approaches to Behaviour* was delivered alongside our specialist conflict management training provider. Around 100 delegates from the City Corporation and beyond participated. In July 2019 the City Corporation hosted the 4<sup>th</sup> London Work at Height Seminar to over 160 delegates. Other collaborations have included an internal seminar *Make Time for Mental Health* with our Staff Networks.

### **Current risk climate**

43. Effective Health and Safety management enables innovation, growth and enhances productivity, as well as helping the City Corporation to achieve its strategic objectives. However, there are very few risks which when realised can have such potentially negative effects (as described above).
44. The Corporate Health and safety teams (Property and People) have been supporting a number of departments with fire and health and safety issues including the Central Criminal Court, Barbican, Guildhall School, Open Spaces and Housing (DCCS).
45. Since the last Health and Safety (CR09) Deep Dive (November 2018) there has been no health and safety enforcement action by the HSE. The HSE investigated a fatality at Hampstead Men's Pond to a member of public (June 2019) and concluded it was not "work-related".
46. The North London Open Spaces management team undertook a detailed internal investigation into pond fatality. The incident was notified to the HSE, and they subsequently undertook a robust investigation. This included interviews with staff and the swimming community. Documentation from the safety management system was also interrogated including site safety procedures, risk assessments, evidence of training and local monitoring and testing arrangements. The HSE has confirmed in writing that no further action is being taken against the City Corporation. Robust application of our safety management system has a 'protective' effect.

47. There were no prosecutions by the Fire and Rescue Service since the last Deep Dive.

### **Conclusion**

48. There is no current indication that there will be significant changes to the UK's health and safety legislative framework after leaving the EU.
49. There are a number of mechanisms the City of London Corporation utilises to mitigate and manage its health and safety risks. The small team of competent persons continue to develop the safety framework and focus towards assuring the organisation as current resources allow.
50. Being able to demonstrate robustly the effectiveness of City Corporation's safety management system, especially at a local level to external scrutiny provides a high degree of assurance.
51. It may be appropriate to consider reducing the risk score for CR09 following confirmation that the HSE's investigation into the pond facility has been closed. Regardless, the risk climate should be carefully monitored, and this should dictate any changes (up or down) to the current risk scoring.

### **Appendices**

- Appendix 1 – Risk and Progress Summary for CR09: Health and Safety

### **Justin Tyas**

Health Safety and Wellbeing Manager (People)

T: 020 7332 1440

E: [justin.tyas@cityoflondon.gov.uk](mailto:justin.tyas@cityoflondon.gov.uk)

## Appendix 1: Risk and Progress Summary for CR09: Health and Safety

### H&S CR09 H&S risk

Report Author: Justin Tyas

Generated on: 07 November 2019



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
<p>CR09 Health Safety and Wellbeing Risk Management System)</p> <p>22-Sep-2014 Chrissie Morgan</p>	<p><b>Cause:</b> Lack of management grip/attention to effective health and safety in the workplace, management and staff competency, poor supervision and guidance, and ineffective controls and monitoring / feedback systems.</p> <p><b>Event:</b> Significant breach/non-compliance with Statutory regulations and/ or internal H&amp;S policies and procedures by staff/managers whilst undertaking/delivery of City Corporation functions.</p> <p><b>Effect:</b> Fatality or life-threatening illness / disease compromising the safety and wellbeing of service users, public or the workforce, potential enforcement action/financial penalties to City Corporation. Adverse effect on the delivery of the Corporate Plan: Especially Outcomes 1 &amp; 2</p>	<p>Likelihood</p> <p>Impact</p> <p>12</p>	<ul style="list-style-type: none"> <li>The new inspection programme initiated and now 80% progressed.</li> <li>Risk description re-scoped and description agreed at HSW Committee etc. Review of risk scoring completed. Target score reduce to 8. Updates completed.</li> <li>Back Care campaign in-progress and Suicide Awareness campaign completed with new guidance “Concerns About Suicide – Just Ask” launched</li> <li>draft Overseas Travel Policy for H&amp;S going to Summit (23/10) following consultation with all Chief Officers.</li> <li>Heat wave and Safety Systems of Work Guidance in progress.</li> </ul> <p>05 Nov 2019</p>	<p>Likelihood</p> <p>Impact</p> <p>8</p>	31-Dec-2019	<p>Constant</p>



Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR09F Compliance audits and inspections 2018/19	Deliver a series of health and safety audits and compliance checks to provide corporate assurance that the organisation is being managed safely	CRO9F is 2018/19 is now at 100% and closed	Justin Tyas	03-Jan-2019	31-Dec-2018
CR09G Health and safety leadership training for Chief Officers and their reports	To deliver a programme of training sessions for Chief Officers and their reports	H&S leadership workshop for Town Clerk's has been rearranged to 21/3/2019  <b>Completed</b>	Justin Tyas	29-Mar-2019	31-Mar-2019
CR09H Workplace Wellbeing Action Plan	To implement and deliver a Workplace Wellbeing Action Plan	Plan agreed and is being monitored.	Justin Tyas	21-Aug-2018	31-Mar-2019
CR09I Policy Review & Development	Working on a draft Lone Working and Preventing Violence Policy	Agreed by Establishment Committee 03 December 2018  <b>Revision / update to Corporate Health Safety and Wellbeing Policy completed.</b>	Justin Tyas	07-Dec-2018	31-Dec-2018
CR09J Compliance audits and inspections 2019/20	Deliver a series of health and safety audits and compliance checks to provide corporate assurance that the organisation is being managed safely	The new inspection programme initiated and now 80% progressed.	Sarah Blogg; Nikki Jago; Justin Tyas	05-Nov-2019	31-Dec-2019

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 1, 2, 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank