



Audit and Risk Management Committee

Date: TUESDAY, 28 JANUARY 2020

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) 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
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Enquiries: **Chloe Rew**
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Lunch will be served in Guildhall Club at 1:15PM
NB: Part of this meeting could be the subject of audio or video recording

John Barradell
Town Clerk and Chief Executive

AGENDA

Part 1 - Public Agenda

- 1. APOLOGIES**
 - 2. MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**
 - 3. MINUTES OF THE PREVIOUS MEETING**
To agree the public minutes and non-public summary of the meeting held on 19 November 2019.
- For Decision**
(Pages 1 - 8)
- 4. OUTSTANDING ACTIONS OF THE COMMITTEE**
Member are asked to note the Committee's Outstanding Actions List.
- For Information**
(Pages 9 - 10)
- 5. COMMITTEE WORK PROGRAMME**
Member are asked to note the Committee's Work Programme.
- For Information**
(Pages 11 - 12)
- Governance**
- 6. MEMBERSHIP TERMS FOR APRIL 2020 COMMITTEE APPOINTMENTS - TO FOLLOW**
Report of the Town Clerk & Chief Executive.
- For Decision**
External Audit
- 7. EXTERNAL AUDIT PROCUREMENT: NEXT STEPS**
Report of the Chamberlain.
- For Decision**
(Pages 13 - 20)
- Internal Audit**
- 8. 2020/21 DRAFT INTERNAL AUDIT PLAN**
Report of the Head of Audit and Risk Management.

For Decision
(Pages 21 - 32)

9. **INTERNAL AUDIT RECOMMENDATIONS UPDATE**
Report of the Head of Audit and Risk Management.

For Decision
(Pages 33 - 50)

Risk Management

10. **CORPORATE RISK UPDATE**
Report of the Chamberlain.

Appendix 3 found in non-public agenda item 19.

For Decision
(Pages 51 - 122)

11. **DEEP DIVE CR21: AIR QUALITY**
Report of the Director of Markets and Consumer Protection.

For Information
(Pages 123 - 144)

12. **CITY OF LONDON POLICE FREEDOM OF INFORMATION REQUESTS UPDATE**
Report of the Commissioner of Police.

For Information
(Pages 145 - 150)

13. **RESOLUTION OF THE POLICE AUTHORITY BOARD MEETING**
Members are asked to note the resolution of the Police Authority Board meeting of 28 November 2019 and consider the recommendation.

For Information
(Pages 151 - 152)

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

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

16. **EXCLUSION OF THE PUBLIC**

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.

Item	Paragraph
17-19, 22	3
23	1-3

For Decision

Part 2 - Non-Public Agenda

17. NON-PUBLIC MINUTES OF THE PREVIOUS MEETING

To agree the non-public minutes of the previous meeting held on 19 November 2019.

For Decision

(Pages 153 - 154)

18. DEEP DIVE CR23: POLICE FUNDING

Report of the Police Authority Treasurer.

For Information

(Pages 155 - 158)

19. APPENDIX 3: CORPORATE RISK UPDATE

Non-public appendix to be read in conjunction with the report of the Chamberlain, Corporate Risk Update, at agenda item 11.

For Information

(Pages 159 - 162)

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

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

Part 3: Confidential

22. CONFIDENTIAL MINUTES

To agree the confidential minutes of the previous meeting held on 19 November 2019.

For Decision

23. INTERNAL AUDIT RESOURCES

Report of the Head of Audit and Risk Management.

For Information

24. CONFIDENTIAL QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE

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

Agenda Item 3

AUDIT AND RISK MANAGEMENT COMMITTEE

Tuesday, 19 November 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)
Anne Fairweather	Andrien Meyers
Marianne Fredericks (Ex-Officio Member)	John Petrie

Officers:

John Barradell	- Town Clerk and Chief Executive
Chloe Rew	- Town Clerk's Department
Gary Locker	- Town Clerk's Department
Justin Tyas	- Town Clerk's Department
Peter Kane	- Chamberlain
Caroline Al-Beyerty	- Chamberlain's Department
Paul Dudley	- Chamberlain's Department
Matthew Lock	- Chamberlain's Department
Chris Keesing	- Chamberlain's Department
Steven Reynolds	- Chamberlain's Department
Cecilie Booth	- City of London Police
Michael Cogher	- Comptroller & City Solicitor
Chrissie Morgan	- Director of Human Resources

Also in Attendance:

Alderman Prem Goyal	- Court of Common Council
Fiona Condon	- External Auditor, BDO
Leigh Lloyd-Thomas	- External Auditor, BDO

1. APOLOGIES

Apologies were received from Alderman Anstee.

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 24 September 2019 be agreed as a correct record, subject to one amendment to the minute for agenda item 17. The minute was amended to reflect the agreement in the 24 September meeting that the risk description for CR16 Information Security be revised to reflect an emphasis on City of London preparedness.

4. OUTSTANDING ACTIONS OF THE COMMITTEE

RESOLVED, that – the outstanding actions of the committee be received and their contents noted. With respect to the update for the City of London Police regarding Freedom of Information Request arrears, the committee requested a formal report be submitted in January 2020.

4 a). INTERPRETATION OF OFFICE FOR STUDENTS GUIDANCE CONCERNING THE INDEPENDENCE OF MEMBERS

With respect to the outstanding action regarding a governance matter for the Board of Governors of Guildhall School of Music and Drama (GSMD), Members received a joint report of the Comptroller & City Solicitor and the Head of Audit and Risk Management relative to interpretation of Office for Students guidance concerning the independence of Members. Following the Chairman's request for guidance on whether there were any criteria that would mean that Common Councillors serving on the Board of Governors of GSMD would not be considered independent, the guidance stated that there are no such criteria. It was noted that recruitment of external Members was underway through a formalised process overseen by a nominations sub-committee.

Further discussion regarding sensitive information took place during confidential session.

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

5. COMMITTEE WORK PROGRAMME

RESOLVED, that – the Committee workplan be received and its contents noted. The Chairman noted that the City of London School for Girls Internal Audit Recommendation Implementation Update would be brought to the Committee in January 2020.

6. CITY'S CASH FINANCIAL STATEMENTS 2018/19

Members considered a report of the Chamberlain relative to the City's Cash Financial Statements for 2018/19. The report was read in conjunction with the City's Cash Annual Report and Financial Statements for the Year Ended 31 March 2019 at Agenda Item 8, and the BDO City's Cash and the Sundry Trust Audit for the Year Ending 31 March 2019 at Agenda Item 9. Following discussion with the Chamberlain and BDO, with particular emphasis on issues of tax liability on the Barking Power Station, Members agreed that the Committee would not recommend the City's Cash Financial Statements for the year ended 31 March 2019 to the Finance Committee.

RESOLVED, that:

1. the Chairman be provided with the most recent Barking Power Station accounts, the last accounts prior to acquisition, a balance sheet update and explanation of any changes made to accounts. This was requested by 26 November 2019 in order for the amended accounts to be dealt with under Delegated Authority for approval by the Chairmen of Finance and Audit and Risk Management, and published by the 30 November 2019 deadline.
7. **CITY'S CASH TRUST FUNDS AND SUNDRY TRUST FUNDS ANNUAL REPORTS AND FINANCIAL STATEMENTS 2018/19**
Members considered a report of the Chamberlain relative to the City's Cash Trust Funds and Sundry Trust Funds Annual Reports and Financial Statements for 2018/19. The report was read in conjunction with the BDO City's Cash and the Sundry Trust Audit for the Year Ending 31 March 2019 at Agenda Item 9.
8. **CITY'S CASH ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**
The City's Cash Annual Report and Financial Statements for the Year Ended 31 March 2019 was considered with the Report of the Chamberlain at Agenda Item 6.
9. **BDO CITY'S CASH AND THE SUNDRY TRUST AUDIT FOR THE YEAR ENDING 31 MARCH 2019**
The BDO City's Cash and the Sundry Trust Audit for the Year Ending 31 March 2019 was considered with the reports of the Chamberlain at Agenda Items 6 and 7.
10. **END OF YEAR TREASURY MANAGEMENT REVIEW 2018/19**
Members received a report of the Chamberlain relative to the End of Year Treasury Management Review for 2018/19, in accordance with the Court of Common Council's adoption of CIPFA's Code of Practice on Treasury Management which requires an end of year report be presented to Members.

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

11. **INTERNAL AUDIT UPDATE REPORT**
Members received a report of the Head of Audit and Risk Management relative to the Internal Audit Update, which reported on internal audit activity since July 2019 and recommendation implementation status since September 2019.

It was noted that the City of London School for Girls accounted for 21 out of 117 high-priority recommendations which were overdue for implementation. The Committee agreed that a report on the matter be brought to Committee in

January 2020, and that the Chairman of the Board of Governors of the City of London School for Girls, the Bursar and the School Head be invited to attend the meeting.

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

The Committee agreed to extend the meeting

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

Members received a report of the Head of Audit and Risk Management relative to Anti-Fraud & Investigations for 2019/20. The report updated Members on activity of the anti-fraud and investigation team from 1 April 2019 to 30 September 2019.

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

13. REVIEW OF RISK MANAGEMENT STRATEGY

Members considered for discussion a report of the Chamberlain relative to a review of the Risk Management Strategy. It was noted that the strategy was not a departure from the City Corporation's existing approach, which had worked well, but sought to bring the strategy up to date with development from the last few years.

The draft strategy was submitted to Members for comments. Following further comments from the Summit Group at its meeting in December 2019, the strategy would be brought be presented again to the Committee in January 2020 meeting for final approval.

Member discussion addressed Member engagement prior to the strategy being presented to Committee; clarifying the definition of target risk date in risk registers; and, timelines for future risk management strategy revisions and updates.

RESOLVED, that – Members agree the Risk Management Strategy be brought to Summit Group at its next meeting, and finally to the Audit and Management Committee in January 2020 for final approval.

14. RISK MANAGEMENT UPDATE

Members considered a report of the Chamberlain relative to a Risk Management Update which provided Members with updates on corporate and top red departmental risks.

Members received an oral update of the Comptroller & City Solicitor relative to CR25 GDPR Compliance. It was proposed that the risk be de-escalated to a departmental risk.

In light of the matters discussed during the Open Spaces Informal Risk Challenge Session, the Chairman proposed escalating risks associated with the Wanstead Park cascade of ponds and high-level reservoirs (Open Spaces Departmental Risk OSD007) to a Corporate Risk to oversee the mitigation

efforts to protect the Corporation should an incident occur that could result in Corporate liability. It was suggested that this risk would only be maintained on the corporate risk register until contracts for works had been let.

Members expressed concern regarding the recent growth in the number of corporate risks leading to a possible loss of management focus and attention.

RESOLVED, that Members:

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.
3. agree to recommend to the Chief Officer Risk Management Group/Summit Group the escalation of OSD007 to a Corporate Risk;
4. agree to recommend to Summit Group the de-escalation of CR25 GDPR Compliance to a Departmental Risk.

15. DEEP DIVE RISK REVIEWS

a) Deep Dive: CR01 Resilience

Members received a report of the Town Clerk & Chief Executive relative to a Deep Dive of CR01 Resilience. It was reported that the risk is being managed in the context of a new era of awareness and engagement of environmental protests. Lessons learned are taken forward to enhance resilience, and the Town Clerk's Department is working across departments and with the City of London Police to manage this risk.

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

b) Deep Dive - CR09: Health and Safety

Members received a report of the Director of Human Resources relative to a Deep Dive of CR09 Health and Safety. It was reported that the risk is reviewed annually to ensure the department is compliant with regulations. Recent actions include improvements to fire safety measures and a new lone-working policy. Other initiatives include information sessions for suicide awareness and prevention, and mental health awareness, and it was suggested that these initiatives be better reflected in the risk register.

Further discussion regarding sensitive information took place during non-public session.

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

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

There were no questions.

17. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

There was no other business.

18. 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 of the grounds that they involve the likely disclosure of exempt information as defined in Part 1 of the Schedule 12A of the Local Government Act.

Item	Paragraph
19	3
20	1, 2, 3
21	3
24	1, 2, 3

19. NON-PUBLIC MINUTES OF THE PREVIOUS MEETING

RESOLVED, that – the non-public summary of the previous meeting held 24 September 2019 be agreed as a correct record, subject to one amendment to the minute for agenda item 17. The minute was amended to reflect the agreement in the 24 September meeting that the risk description for CR16 Information Security be revised to reflect an emphasis on City of London preparedness.

20. APPOINTMENT OF EXTERNAL MEMBER TO THE AUDIT AND RISK MANAGEMENT COMMITTEE

Members considered a report of the Town Clerk & Chief Executive relative to the Appointment of an External Member to the Audit and Risk Management Committee.

RESOLVED, that – the recommendation be agreed.

21. RISK MANAGEMENT UPDATE: NON-PUBLIC APPENDIX 3

Members read the Non-Public Appendix 3 in conjunction with the Report of the Chamberlain at Agenda Item 14.

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

There were no questions.

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

There was one item of other business.

24. CONFIDENTIAL MINUTES OF THE PREVIOUS MEETING

RESOLVED, that – the confidential minutes of the previous meeting held 24 September 2019 be agreed as a correct record.

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

There were no questions.

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

There was one item of other business.

The meeting closed at 5.00 pm

Chairman

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AUDIT AND RISK MANAGEMENT COMMITTEE - Outstanding Actions - JANUARY 2020

Items from meeting held 19 November 2019		
ITEM	Action	Officer and target date
4. OUTSTANDING ACTIONS	Committee to receive the City of London Police Accommodation Audit and Fleet Street Estate Programme Audit reports.	<i>Town Clerk</i> <i>Date: 28 January 2020</i> COMPLETED
6. CITY'S CASH FINANCIAL STATEMENTS 2018/19	The Chamberlain's department to update the financial statements following Members' comments. Accounts to be presented to Finance Committee in December and Audit & Risk Management Committee Members to be invited to attend as observers.	<i>Chamberlain</i> <i>Date: 10 December 2019</i> COMPLETED

Items from meeting held 12 March 2019		
ITEM	Action	Officer and target date
ANY OTHER BUSINESS	Police Commissioner to provide a formal written report of Freedom of Information request arrears (this outstanding action was reviewed on 19.11.2019, and the target date was confirmed).	<i>City of London Police Commissioner</i> <i>Date: 28 January 2020</i>

Items from meeting held 6 November 2018		
ITEM	Action	Officer and target date
9. NEW CORPORATE RISK: BREXIT	Each Department to carry out risk assessment of the impact of Brexit.	<i>All departments/Chamberlain</i> <i>Ongoing</i>

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Audit & Risk Management Committee - Work Programme: March – September 2020

31 March 2020	2 June 2020	14 July 2020	8 September 2020
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Financial Statements and External Auditors

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	City's Cash Accounts
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Risk Management (Regular update reports, Deep Dive Risk Reviews and Independent Risk Challenge)

<u>Deep Dive:</u> 1.CR27 – Change Management (Town Clerk's) 2.CR28 – Action Fraud (Chamberlain's/City of London Police)	<u>Deep Dive:</u> 1. CR02 Loss of Business Support for the City (Town Clerk's) 2. CR30 Climate Change (Town Clerk's)	<u>Deep Dive:</u> 1. CR31 Fundamental Review (Town Clerk's) 2. CR24 Operational Security (Town Clerk's)	<u>Deep Dive:</u> 1. CR29 Information Management (Town Clerk's) 2. CR16 Information Security (Chamberlain's)
<u>Risk Challenge:</u> Remembrancers	<u>Risk Challenge:</u> Markets & Consumer Protection	<u>Risk Challenge:</u> Department for the Built Environment	<u>Risk Challenge:</u> Town Clerk's Department
GDPR Report (Comptroller & City Solicitor)	Risk Update Report		Risk Update Report

Internal Audit/Corporate Anti-fraud

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	Internal Audit Recommendations Follow-Up
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Governance

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Annual Governance Statement Methodology (Town Clerk) Request to proceed under Delegated Authority: Draft Annual Governance Statement	Report of Action Taken: Annual Governance Statement Delegated Authority Annual Report of the Committee		
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External Inspections/OFSTED Reports etc

	OFSTED Focus Visit on Care Leavers (Community & Children's Services)			HMIC (City of London Police)
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Agenda Item 7

Committee(s): Audit and Risk Management – For decision	Date(s): 28/01/2020
Subject: External audit procurement – next steps	Public
Report of: The Chamberlain	For Decision
Report author: Neilesh Kakad, Group Accountant, Financial Services Division	

Summary

The City Corporation's external audit service contract is due to end in 2020/21 and your Committee has decided to re-tender this contract. This report sets out the next steps in the procurement process. This includes re-convening the Independent Audit Appointment Panel (IAAP), as required by the Local Audit and Accountability Act 2014 (the Act), details of the procurement process and an estimated timeline of activities leading to the award of a new contract.

Recommendation(s)

Members are asked to:

- endorse the procurement approach for the new external audit service contract;
- agree the Chairman of the IAAP; and,
- agree the elected Members (a maximum of 2) who will sit on the IAAP.

Main Report

Background

- At your September Committee meeting it was agreed the City Corporation would re-tender the external audit contract following the conclusion of the current contract with BDO, which will end with the 2020-21 audits. This decision also confirmed that the City Corporation would seek to appoint a single audit firm across all its funds. The Local Audit and Accountability Act 2014, which governs the auditor appointment process for City Fund, requires an auditor to be appointed by the December of the financial year prior to the start of the new contract. This means an appointment is required by December 2020 in order to comply with the Act. The Act also requires that an IAAP be convened to advise on the following matters:

- the selection and appointment of the auditor;

- whether the authority should adopt a policy on obtaining non-audit service from the auditor, included the contents of such a policy;
 - the maintenance of an independent relationship with the local auditor appointed to audit its accounts;
 - any proposal by the authority to enter to enter into a liability limitation agreement, and,
 - the outcome of any investigation of an auditor's resignation from office, if this occurs, or on any proposal to remove a local auditor from office.
2. It should be noted that the IAAP must have a majority of and be chaired by an independent member with a minimum of 2 independent members.

Current Position

3. Following the decision to re-tender, the current external audit contract will end with the 2020-21 audit. In order for an audit firm to be appointed within the required timeframe, a procurement exercise will need to be completed during 2020 to ensure compliance with the relevant legislation. The below sets out the proposed approach.

Proposal

4. Following your decision to re-tender, the below high-level timetable has been drawn up setting out the steps to award a new audit contract by the December 2020 deadline.

PROCUREMENT STAGES	DATE
IAAP to agree service specification and invitation to tender (ITT) documentation	April 2020
Issue ITT	April 2020
Deadline for ITT Submission	May 2020
Initial evaluation of bids	May 2020
Presentations from bidders to IAAP and final evaluation	June 2020
IAAP Recommendation and A&RM confirmation of successful bidder	July 2020
Notification of Outcome	August 2020
Contract Award	October 2020

5. It is proposed that the City Corporation utilises the Crown Commercial Services Management Consultancy Framework agreement as this is the most efficient route to market given the timescales involved, the resources required with alternative routes and the fact that the firms included in the framework (listed in Appendix 1), are likely to be those who would be able to fulfil the requirements of each of the City Corporations funds.
6. For completeness, the specific requirements for auditors of Bridge House Estates (BHE) and City's Cash (CC) can be found in Appendix 2. These requirements will

form part of the service specification so all bidders will need to ensure they are met.

7. As in the previous tender exercise, the IAAP will carry out the following functions:
 - to agree the service specifications and invitation to tender (ITT) documents including assessment criterion;
 - review and score all bids submitted; and,
 - make a recommendation to Audit and Risk Management Committee on the appointment of an auditor.
8. The 3 independent Members of your committee are also appointed as Members of the IAAP. This will enable up to 2 elected Members to also sit on the panel, whilst maintaining the requirement for a majority of independent Members.
9. The panel must also be chaired by an independent Member. It is therefore requested that your committee confirm which elected Members will sit on the panel and confirm which of the independent Member will be the panel Chairman.

Corporate & Strategic Implications

10. Aside from the statutory requirements of this area of work, gaining assurance on the financial standing of the City Corporation's funds is a core element in enabling delivery of the City Corporation's corporate plan on contributing to a flourishing society, shaping an outstanding environment and supporting a thriving economy.

Implications

11. Once the tender process has been completed, the financial implications will be incorporated into the City Corporation's financial plans.

Conclusion

12. Following the decision by your Committee to re-tender the external audit contract, a high-level procurement timetable has been drawn up setting out the steps required to appoint a new audit firm by December 2020. The Local Audit and Accountability Act 2014 requires that an IAAP carry out the procurement process and recommend to your Committee the appointment of a new auditor.
13. The 3 independent Members of your Committee are also Members of the IAAP. 2 elected Members can also sit on the panel. Confirmation of the Chairman of the panel (which must be an independent Member) and of the elected Members which will sit on the panel is requested from your Committee.

Appendices

- Appendix 1 – List of audit firms included in the Crown Commercial Services Management Consultancy Framework – Audit.
- Appendix 2 - Qualification criterion for auditors of the Chamberlain's and Bridgemasters' Accounts

Background Papers

Report on External Audit Appointment, Audit and Risk Management Committee,
24/09/2019

Neilesh Kakad

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Appendix 1 – List of audit firms included in the Crown Commercial Services Management Consultancy Framework – Audit

Actica Consulting Limited
Alvarez & Marsal Europe Holding LTD
Ankura Consulting (Europe) Limited
BDO LLP
Beever & Struthers
Berkeley Research Group LLC
Bramble Hub Limited
Capita Business Services LTD
Deloitte LLP
Ernst & Young LLP
FTI Consulting LLP
Grant Thornton UK LLP
Kosi Corporation Limited
KPMG LLP
Mazars LLP
PricewaterhouseCoopers LLP
Protiviti Limited
RSM UK Tax and Accounting Limited
Scott-Moncrieff
Veractiy OSI UK Limited

Appendix 2

Auditors of the Chamberlain's and Bridgemasters' Accounts (the Audit Panel)

Qualifications

1. The qualifications are:
 - (i) the Auditor and the firm they represent must meet all legal requirements to carry out an audit of the Chamberlain's and Bridgemasters' Accounts;
 - (ii) the firm they represent must have experience of auditing –
 - (a) organisations employing over 3,000 staff; or
 - (b) organisations with turnovers in excess of £500 million and reserves in excess of £1 billion; or
 - (c) public authorities or other public sector organisations; or
 - (d) charities with turnovers in excess of £40million.
 - (iii) the Auditor and the firm they represent must have signed or be willing to sign an engagement letter in the standard form.
 - (iv) the firm represented by the Auditor must have generated audit fees of at least £5million in its last accounting year.
2. For the purpose of paragraph 1, an Auditor represents a firm where:
 - (i) the firm is a company and he is a director of that company; or
 - (ii) the firm is a partnership and he is a partner in that partnership; or
 - (iii) the firm is a limited liability partnership and he is a member of that limited liability partnership; or
 - (iv) he is an employee of that firm.

The Audit Panel

3. The lead partner/employee of the successful firm will be required to be elected to the Audit Panel. The Audit Panel comprises up to six partners/employees drawn from different firms (including the partner of the successful firm).
4. Those partners/employees who are not from the successful firm are responsible for reviewing the processes adopted by the successful firm for the annual audit of the City's Cash Trusts and City's Cash, the Bridge House Estates and the Sundry Trust Funds and reporting on whether the audit of these financial statements has been conducted in accordance with proper auditing standards.
5. The role of the lead partner/employee of the successful firm is to provide the information for the Panel's review, to advise on the processes followed during the audit, and to respond to questions and issues raised by Panel Members.
6. The lead partner/employee must be willing to sign a Letter of Engagement for the Audit Panel in the standard form.
7. The terms of reference for the Audit Panel are set out in the Letter of Engagement. Essentially they provide the following services:

- such part of the services agreed with other Panel Members;
 - to review the procedures adopted by the appointed audit firm for the annual audit in order to ascertain whether, in the Panel Member's view, the audit of the financial statements of that entity have been conducted in accordance with the auditing procedures referred to in the appointed audit firm's opinion; and
 - to carry out such work as may be agreed with other members of the Panel which will form the basis of a report which will be agreed and signed between the Panel Members in the prescribed form. The report will be included in the annual accounts of the entities set out above.
8. The work of the Audit Panel shall not constitute an audit of the financial statements of any entity and the responsibility for the audit rests with the appointed audit firm.
9. The work of the Audit Panel is normally undertaken over the course of a day with a subsequent meeting between the Chamberlain (the City of London Corporation's Chief Financial Officer) and the Audit Panel to discuss the Panel's findings, queries etc.
10. The Audit Panel is completely separate from the Audit and Risk Management Committee and the Independent Auditor Appointment Panel. It has a specific responsibility to review the processes adopted by the appointed auditor and report on whether the audit of the financial statements listed above has been conducted in accordance with proper auditing standards.
11. The Audit Panel is elected by and reports to the Lord Mayor, Aldermen and Livery of the several Companies of the City of London in Common Hall as part of the financial statements listed above. There is no requirement for the Audit Panel to report directly to the Audit and Risk Management Committee, however the Audit Panel's Report will be considered by the Audit and Risk Management Committee as part of the approval process for the financial statements.

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Agenda Item 8

Committee(s): Audit and Risk Management Committee – For Decision	Date(s): 28/01/2020
Subject: 2020/21 Draft Internal Audit Plan	Public
Report of: Head of Audit and Risk Management	For Decision
Report author: Matt Lock, Head of Audit and Risk Management, Chamberlain's Department	

Summary

The Audit Plan includes sufficient audit coverage to enable us to provide an overall opinion on the City of London Corporation's control framework. The plan has flexibility to allow for additional/unanticipated reviews to be added in areas where support and/or advice may be required or to accommodate any reduction to available resources.

The Audit Plan is being developed to align to the Corporate Plan, seeking to provide assurance that controls in place support the delivery of Corporate Outcomes.

Recommendation(s)

Members are asked to:

1. review the proposed Internal Audit Plan for 2020/21 as set out in Appendix 1 and consider the extent to which:
 - The plan covers the organisation's key risks as they are recognised by Audit and Risk Management Committee
 - The plan incorporates the areas that the Audit and Risk Management Committee believe should be covered as priority
2. agree, subject to the above, the 2020/21 Draft Internal Audit Plan.

Main Report

Background

1. The Internal Audit function is provided through a combination of a small in-house team (representing 620 audit days) and additional resource bought in from Mazars (representing 360 audit days). Internal Audit is required to provide the S151 Officer, the Senior Leadership Team and the Audit and Risk Management Committee with an opinion on the adequacy and effectiveness of the organisation's governance, risk management and control arrangements. This opinion is predominantly based on the outcomes from the audit work undertaken each year. The Audit and Risk Management Committee is provided with updates

at each meeting on the outcome of completed audit work and the implementation of recommendations made.

Current Position

2. The draft Internal Audit Plan for 2020/21 is attached as Appendix 1 to this report. It should be noted that this Plan is an early draft and may be subject to some amendment before the final Plan is published in March 2020, particularly as Chief Officer consultation continues into January, beyond publication of this report. In addition, it is recognised that changes in priorities arise during the course of a year and so the Audit Plan will be reviewed on a quarterly basis, looking forward at the remainder of the year, to ensure continued relevance.
3. The Internal Audit Plan is designed to include sufficient audit coverage to enable an opinion to be reached on the adequacy of the City Corporation's control framework to support the delivery of corporate objectives. This has been split into two categories:
 - **Priority 1:** activity that directly links to Corporate Plan Outcomes and/or Corporate Risks, completion of this work within 2020/21 is considered essential to providing the annual opinion. (approximately 530 audit days).
 - **Priority 2:** activity that is more closely aligned to the delivery of departmental objectives, including advisory assurance work. Periodic audit coverage is considered sufficient to inform the annual opinion, auditable areas are identified from a rolling 3 year programme. Priority 2 work may be re-planned and potentially deferred to the following year to accommodate any unanticipated, high priority, emerging requirements. (approximately 450 audit days).

Individual audit assignments will incorporate consideration of the effectiveness and efficiency of service operations, linking with the Fundamental Review as appropriate.

Innovation and Development Activity

4. In addition to delivery of the annual audit plan, Internal Audit will be implementing and delivering the following operational developments during the coming year:
 - Revised report format – delivering clear assurance opinion and greater emphasis on actions required to address risks and weaknesses identified.
 - A new follow-up process – providing assurance that weaknesses identified through audit activity have been mitigated on a system by system basis rather than recommendation by recommendation.
 - A performance dashboard – setting out a range of measures to assist with; performance measurement of the Internal Audit function, summarising the outcome of work undertaken and engagement of departments.
 - A structured programme of learning and development activity – with a focus on professional and technical development to meet, at least, the minimum requirements of the professional membership bodies that we subscribe to.

Conclusion

5. The Audit Plan for 2020/21 is being developed to align to the Corporate Plan. In preparing the plan, consideration has been given to departmental business plans, the Corporate risk register and departmental risk registers. Consultation meetings have already been held with a number of Chief Officers individually, with the remainder to take place in January. The Draft Internal Audit Plan for 2020/21 has also been reviewed by Summit Group in December 2019.
6. Finally, just to note that Internal Audit is only one source of assurance and through the delivery of our plan, we do not seek to cover all risks and processes of the City of London Corporation. We aim to work closely with other assurance providers or place reliance on their work where possible, such as External Audit, OFSTED and HMIC, to ensure that duplication is minimised and a suitable breadth of assurance obtained.

Appendices

- Appendix 1 – Draft Internal Audit Plan 2020/21
- Appendix 2 - Draft Internal Audit Plan – Summary by Department

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Department	Auditable Area	Potential Scope	Audit Days	Priority	Corporate Plan Ref	Corporate Risk Ref
Barbican Centre	Health and Safety	consider delivering in less time/in partnership with Corporate Health and Safety	15	1	Outcome 1	CR09 BBC Ex Halls 003 BBC Buildings 006 BBC Buildings 007
Community and Children's Services	Safeguarding (schools)	Applies across all City Schools, the Academies will be invited and encouraged to participate.	25	1	Outcome 1	CR17
Community and Children's Services	Lone Working	Review of controls and arrangements in place to ensure safety and wellbeing of lone workers.	7	1	Outcome 1	
Town Clerks	Community Safety and Resilience	Entity review of the Community Safety and Resilience function, looking at key controls and local governance arrangements	12	1	Outcome 1	
Corporate Wide	Infrastructure/Physical Security	Assurance as to delivery of the Security programme to make the City safer, building resilience to natural and man made threats.	15	1	Outcome 1 and 12	CR24 CR01
Corporate Wide	Climate Action/Air Quality	Assurance on the effectiveness of Climate Action; the impact of controls/management action.	15	1	Outcome 11	CR30 CR21
Community and Children's Services	Joint Health and Wellbeing	explore governance arrangements, liaise with partners to explore what assurance activity exists, possible joint piece of work with partners, depending on arrangements, this may not be required	12	1	Outcome 2	
Community and Children's Services	Housing Tenancies	Tenancy management, allocations and tenancy fraud risk	10	1	Outcome 4	
Built Environment	Gigabit City	Smart City, wireless connectivity etc	12	1	Outcome 9	
Open Spaces Department	Wanstead Flats - Reservoir Management (risk mitigation)	Review of Mitigations to OSD 007 Maintaining the City's water bodies summary risk	3	1	Outcomes 1 and 12	OSD 007
Community and Children's Services	Housing Fire Safety	Fire risk management, assurance on mitigation actions.	12	1	Outcomes 1 and 12	
Community and Children's Services	Rough Sleepers	Review of management action to support rough sleepers, including relevant partnership arrangements	7	1	Outcomes 1 and 2	
Community and Children's Services	Unregulated Placements - Children	houses of multiple occupancy, refer to OFSTED, commissioning, ensuring adequacy, VFM	12	1	Outcomes 1, 2, 3 and 4	
Corporate HR	Gender/Equalities Pay Gap Reporting	Assurance as to the validity, reliability of data reported and the adequacy of the process for compiling information.	7	1	Outcomes 3 and 8	
Corporate Wide	Major Projects Governance Arrangements	Review of the adequacy of governance arrangements within the City Corporation for delivery and oversight of the Major Projects	15	1	Outcomes 3, 4 and 7	
Town Clerks	Innovation and Growth - Partnerships and Engagement	Review of mitigating actions to CR02, the programme of work of Innovation and Growth and outcomes delivered from this activity, including partnership arrangements	15	1	Outcomes 5, 6 and 7	CR02
Markets and Consumer Protection	Brexit Implications	Longer term implications of Brexit on the operations of MCP, time to be held in the audit plan and the review to be scoped once we have certainty on Brexit and likely implications	15	1	Outcomes 6 and 7	CR26

Department	Auditable Area	Potential Scope	Audit Days	Priority	Corporate Plan Ref	Corporate Risk Ref
Chamberlain's IT	Business Continuity and Disaster Recovery	Assurance as to the adequacy of IT Business Continuity and Disaster Recovery arrangements including the management controls in place to test, review and report on plans.	10	1		CR01
Town Clerks	Corporate wide - Emergency Planning	Assurance on the management actions in place to ensure continued relevance of emergency planning, including lessons learned from exercises and incidents	20	1		CR01
Chamberlain's IT	Cyber Security	Review of management actions to ensure robust cyber security controls are in place, including work of 3rd party assurance providers and internal monitoring and governance and oversight for this.	20	1		CR16
City of London Police	Grant Funding	Conditions of grant funding are being met, measuring delivery against these, preparedness for renewal of key grants	12	1		CR23
City of London Police	Key Financial Controls	undertake key control reviews on a rolling basis, total allocation of time to be split to deliver smaller, more focussed reviews	20	1		CR23
City of London Police	Transform	Capital funding and delivery of capital projects, achievement/tracking of savings (if not covered within 2019/20 audit work)	15	1		CR23
Police Authority	Value for Money Scrutiny and Oversight	Assurance as to the arrangements in place via the Police Authority Treasurer to provide effective scrutiny and oversight over Police financial management	35	1		CR23
Chamberlain's IT	Information Management	Reference to the Information Management project, looking at controls and policies in place for the effective management of information to ensure that the organisation derives value from this.	20	1		CR29 CR16
Chamberlain's	Fundamental Review	Validation of high value and high risk proposals, particularly income/commercial proposals where pump-priming investment has been granted. Lighter touch assurance via budget monitoring that lower level proposals are being delivered and efficiency savings met.	25	1		CR31
Chamberlain's	Accounts Receivable and Debt Management	Central control aspects, timeliness and completeness of recovery action, write offs	15	1		
Chamberlain's	Development of a Corporate Finance Strategy - Debt Financing	Controls and governance arrangements in respect of borrowing activity.	12	1		
Chamberlain's	Corporate Contract Management	Live management and oversight of Corporate Contracts; Governance, performance management etc	15	1		
Chamberlain's	Payroll	Key controls within payroll (starters, leavers, permanent and temporary adjustments to pay)	8	1		
City of London Police	Procurement Cards	Use of P-cards and administration	10	1		

Department	Auditable Area	Potential Scope	Audit Days	Priority	Corporate Plan Ref	Corporate Risk Ref
City of London Police	Digital Policing	Alignment of the Force Roadmap with the national IT strategy, inclusion of this within Transform and resourcing considerations	10	1		
City Surveyor's	Rents, Lettings and Vacancies	Investment Property management; timeliness, completeness and accuracy of billing, management of leases and vacant properties	15	1		
City Surveyor's	Project Resourcing	Review of project management resourcing and governance arrangements within the City Surveyors Department, focus on Major Projects. Links to Governance Arrangements for Major Projects	12	1		
Corporate Wide	Performance Management/Delivery of Business Plan Objectives (time allocation TBC)	Theme to apply across all departments, data validation, assurance on completeness and depth of business planning - coverage across the organisation on a rolling basis over 3 years	15	1		
Corporate Wide	Safer City Partnership	Looking at collaboration and delivery of strategy and validity of outcomes reported.	15	1		
Town Clerks	City Bridge Trust - Grants Administration and Compliance with Strategy	Key controls within the grant administration process; awarding grants, monitoring compliance with conditions of grants, delivery of outcomes in alignment with strategy, overall financial management and fraud risk management	15	1		
Town Clerks	Corporate Recruitment	Related to Recruitment Moratorium Review - may not be necessary as well, but would cover compliance with corporate recruitment process, operation of key controls within this.	15	2	Outcome 8	
Community and Children's Services	Social Care Contract Monitoring	Review of contract monitoring arrangements; adequacy to ensure the adequacy of care provision, including fraud risk	7	2	Outcomes 1 and 2	
Barbican Centre	Ticketing System	Review of new ticketing system and controls in place	12	2		
Barbican Centre	Bars	Income collection and banking, stock control and fraud risk management	7	2		
Barbican Centre	Professional Development & Progression (Artistic Offering/Supporting Artists)	TBC	8	2		
Built Environment	Waste Collection Income and Expenditure	Review of control framework for income and expenditure within the waste collection service; completeness and accuracy of charging, timely collection of income, reconciliation, monitoring, compliance with Financial Regulations	8	2		
Built Environment	Planning Income and Expenditure	Review of control framework for income and expenditure within the Planning service; completeness and accuracy of charging, timely collection of income, reconciliation, monitoring, compliance with Financial Regulations	12	2		

Department	Auditable Area	Potential Scope	Audit Days	Priority	Corporate Plan Ref	Corporate Risk Ref
Built Environment	Building Control Income and Expenditure	Review of control framework for income and expenditure within the Building Control service; completeness and accuracy of charging, timely collection of income, reconciliation, monitoring, compliance with Financial Regulations	10	2		
Chamberlain's	Procurement Category Management - Governance and Effectiveness	Assurance on the operational effectiveness of procurement governance, outcome focussed	7	2		
Chamberlain's	Chamberlain's Court Income	Includes retail, collection and banking of income	8	2		
Chamberlain's	Supplier Resilience	Controls in place to measure and mitigate resilience risks in the supply chain	12	2		
Chamberlain's IT	Data Storage	Looking at both cloud and on premise storage, governance arrangements in place to manage this and overall strategy - link to Information Management	15	2		
Chamberlain's IT	Legacy Systems	Review of management of legacy systems and plans for migration/upgrade/replacement/decommissioning	10	2		
City of London Freemen's School	Financial Sustainability	Review of Medium Financial Strategy, longer term financial sustainability and self sufficiency	8	2		
City of London Police	Management of Service Contracts	Controls in place to ensure effective management and oversight of bought in services	12	2		
City of London Police	Defendants Funds/Ceased Goods	Series of spotchecks across sites, time allocation to be spread	7	2		
City of London School	Financial Sustainability	Review of Medium Financial Strategy, longer term financial sustainability and self sufficiency	7	2		
City of London School for Girls	Financial Sustainability	Review of Medium Financial Strategy, longer term financial sustainability and self sufficiency	7	2		
City Surveyor's	Operational Property Management	Role as the corporate landlord, effective management of operational property, including repairs and maintenance	15	2		
Community and Children's Services	Housing Rents	Completeness and accuracy of billing, collection of rent, debt management	10	2		
Community and Children's Services	Barbican Estate Rents	Completeness and accuracy of billing, collection of rent, debt management	10	2		
Community and Children's Services	Libraries - Entity Review	Entity review of Libraries, looking at key controls and local governance arrangements	10	2		
Comptroller and City Solicitor	Direct Charging for Legal Services	Review of new business model, its administration, operational effectiveness and the extent to which this has aided demand management.	10	2		
Corporate Wide	Recruitment Moratorium	Managing headcount growth, recruitment control in response, to current moratorium, very narrow focus, identify and challenge business case process	5	2		
Corporate Wide	P-Cards	a rolling programme of activity (excluding the Police) will target 5 departments each year	25	2		
Guildhall School of Music and Drama	Governance	Review of governance arrangements, inline with industry and regulator expectations and requirements	12	2		

Department	Auditable Area	Potential Scope	Audit Days	Priority	Corporate Plan Ref	Corporate Risk Ref
Guildhall School of Music and Drama	Diversifying Funding / Fundraising	Strategy to diversify funding and increase fundraising to mitigate the risk of dependency on fewer, high value funding streams	12	2		
Guildhall School of Music and Drama	Data Futures	(tbc) Readiness for and compliance with HESA's Data Futures transformation programme	12	2		
Guildhall School of Music and Drama	Under 18s Offer	Operation of the under 18 education programme, alignment to strategy, administration and general control environment.	12	2		
Guildhall School of Music and Drama	Data Quality	Independent verification/validation of data submissions	10	2		
Mansion House and Central Criminal Court	Roger Gifford Trust Fund (Conservation of Art Collection)	Delivery of the aims and objectives of the Trust Fund	5	2		
Mansion House and Central Criminal Court	Premises Related Expenditure	Key Controls in relation to premises related expenditure, reference to Operational Property Management review	10	2		
Markets and Consumer Protection	Contract Management	Focus on Markets, in particular: managing the transition to bring contracts into alignment as part of the Market's Consolidation Project	7	2		
Markets and Consumer Protection	Fee Recovery - All sites	Including a review of the extent to which business units are recovering costs	10	2		
Markets and Consumer Protection	Safe Disposal of ceased/condemned goods/food	Across Markets and Port Health, looking at consistency of controls (inc. animal by products)	10	2		
Markets and Consumer Protection	Markets - Medium Term Financial Strategy	Preparedness for consolidation of Markets, streamlining and harmonising accounting and financial management.	10	2		
Open Spaces Department	Entity Review	Sites to be covered on a rolling basis, priorities to be determined with Director of Open Spaces, looking at key controls and operations.	15	2		
Open Spaces Department	Department Wide - Wayleaves	Administration of Wayleaves, including billing and collection of income.	12	2		
Open Spaces Department	Department Wide - Lodges	Management/operation of the lodges, including rental income	12	2		
Open Spaces Department	Department Wide - Commercial Leases	Management and operation of commercial leases, including the extent to which these are fit for purpose	8	2		
Open Spaces Department	Tower Bridge - Exhibition Income	Ticket income, collection, banking, reconciliation and related income controls, including fraud risk	12	2		
Remembrancers	Supplies and Services	Expenditure controls, contract/supplier management	8	2		
Town Clerks	Social Media	Use of Social media to promote City of London Corporation and support effective service delivery, including overarching strategy/coordination of this	8	2		
Town Clerks	Guildhall Art Gallery - Income and Expenditure	Income and expenditure controls, includes operation of shop (e.g. stock control)	12	2		
Town Clerks	Guildhall Club Accounts	Annual audit of accounts	5	n/a	n/a	n/a

Total Audit Days

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Department	Auditable Area	Audit Days	Priority
Barbican Centre	Health and Safety	15	1
	Ticketing System	12	2
	Bars	7	2
	Professional Development & Progression (Artistic Offering/Supporting Artists)	8	2
Built Environment	Gigabit City	12	1
	Waste Collection Income and Expenditure	8	2
	Planning Income and Expenditure	12	2
	Building Control Income and Expenditure	10	2
Chamberlain's	Accounts Receivable and Debt Management	15	1
	Development of a Corporate Finance Strategy - Debt Financing	12	1
	Corporate Contract Management	15	1
	Payroll	8	1
	Fundamental Review	25	1
	Procurement Category Management - Governance and Effectiveness	7	2
	Chamberlain's Court Income	8	2
Chamberlain's IT	Supplier Resilience	12	2
	Business Continuity and Disaster Recovery	10	1
	Cyber Security	20	1
	Information Management	20	1
	Data Storage	15	2
City of London Freemen's School	Legacy Systems	10	2
	Financial Sustainability	8	2
City of London Police	Grant Funding	12	1
	Key Financial Controls	20	1
	Procurement Cards	10	1
	Digital Policing	10	1
	Transform	15	1
	Management of Service Contracts	12	2
	Defendants Funds/Ceased Goods	7	2
City of London School	Financial Sustainability	7	2
City of London School for Girls	Financial Sustainability	7	2
City Surveyor's	Rents, Lettings and Vacancies	15	1
	Project Resourcing	12	1
	Operational Property Management	15	2
Community and Children's Services	Joint Health and Wellbeing	12	1
	Safeguarding (schools)	25	1
	Lone Working	7	1
	Housing Fire Safety	12	1
	Housing Tenancies	10	1
	Rough Sleepers	7	1
	Unregulated Placements - Children	12	1
	Social Care Contract Monitoring	7	2
	Housing Rents	10	2
	Barbican Estate Rents	10	2
Comptroller and City Solicitor	Libraries - Entity Review	10	2
	Direct Charging for Legal Services	10	2
Corporate HR	Gender/Equalities Pay Gap Reporting	7	1
Corporate Wide	Major Projects Governance Arrangements	15	1
	Climate Action/Air Quality	15	1
	Performance Management/Delivery of Business Plan Objectives	15	1
	Safer City Partnership	15	1
	Infrastructure/Physical Security	15	1
	Recruitment Moratorium	5	2
	P-Cards	25	2
Guildhall School of Music and Drama	Governance	12	2
	Diversifying Funding / Fundraising	12	2
	Data Futures	12	2
	Under 18s Offer	12	2
	Data Quality	10	2

Department	Auditable Area	Audit Days	Priority
Mansion House and Central Criminal Court	Roger Gifford Trust Fund (Conservation of Art Collection)	5	2
	Premises Related Expenditure	10	2
Markets and Consumer Protection	Brexit Implications	15	1
	Contract Management	7	2
	Fee Recovery - All sites	10	2
	Safe Disposal of ceased/condemned goods/food	10	2
	Markets - Medium Term Financial Strategy	10	2
Open Spaces Department	Wanstead Flats - Reservoir Management (risk mitigation)	3	1
	Entity Review	15	2
	Department Wide - Wayleaves	12	2
	Department Wide - Lodges	12	2
	Department Wide - Commercial Leases	8	2
	Tower Bridge - Exhibition Income	12	2
Police Authority	Value for Money Scrutiny and Oversight	35	1
Remembrancers	Supplies and Services	8	2
Town Clerks	Community Safety and Resilience	12	1
	City Bridge Trust - Grants Administration and Compliance with Strategy	15	1
	Innovation and Growth - Partnerships and Engagement	15	1
	Corporate wide - Emergency Planning	20	1
	Social Media	8	2
	Guildhall Art Gallery - Income and Expenditure	12	2
	Corporate Recruitment	15	2
	Guildhall Club Accounts	5	n/a

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Agenda Item 9

Committee(s): Audit and Risk Management Committee – For Decision	Date(s): 28/01/2020
Subject: Internal Audit Recommendations Update	Public
Report of: Head of Audit and Risk Management	For Decision
Report author: Matt Lock, Head of Audit and Risk Management, Chamberlain's Department	

Summary

This report has been prepared to provide Members with a status update on the implementation of high priority Internal Audit Recommendations made. Overall, 39% of recommendations that fell due since the last update have been implemented within agreed timescales, 37% are partially implemented and 24% not yet implemented.

There are, including those that are not yet due, 9 Red and 84 Amber live recommendations.

Members are asked to endorse a revised approach to undertaking audit follow-up activity, with a view to securing more effective implementation and operational efficiencies.

Recommendation(s)

Members are asked to:

- Note the current status of live audit recommendations.
- Endorse the proposed changes to the way that audit follow-up work is undertaken.

Main Report

Background

1. The Audit and Risk Management Committee receives regular status updates on the implementation of high priority (Red and Amber) Internal Audit recommendations made. This report provides Members with the latest position, based upon information received from departments and Audit testing undertaken.
2. Having observed the recommendations follow-up process over the past 6 months, a number of areas for improvement have been identified. This report also, therefore, seeks the views of the Audit and Risk Management Committee in relation to a revised follow-up approach.

Current Position

3. Follow-up activity has recently been completed in respect of all live red and amber priority recommendations where their due date has passed. A summary of follow-up outcomes by department is included as **Appendix 1** which shows that 10 recommendations have not been implemented in accordance with target dates set and where no revised implementation date has been received. A further 44 recommendations are outstanding for which revised implementation dates were received, these will be subject to further follow up in due course. 34 high priority recommendations have been confirmed as implemented.
4. High priority recommendations due but not implemented or only partially implemented are summarised at **Appendix 2** and a comparison of revised target dates to original agreed dates is shown where available. Departments have, in the main, provided explanations for non-implementation together with revised target dates. The appendix also identifies where revised target dates have previously been provided, i.e. where original target dates had not been met at first follow-up.
5. Including the 54 overdue recommendations, there were a total of 93 (9 Red and 84 Amber) live high priority recommendations as at 31 December 2019. A breakdown of the number of live recommendations by department is shown at **Appendix 3**.
6. The 9 live Red recommendations, all of which are not yet due for implementation, relate to the following:
 - a. City of London School – planning in relation to penetration testing of IT systems
 - b. City of London Freemen's School – improving security over the use of USB drives/devices (revised target date)
 - c. City of London Police – Improvements to the budget setting process
 - d. Community and Children's Services – formalising contract arrangements for placements for young asylum seekers (revised target date)
 - e. Community and Children's Services – ensuring that individual agreements are in place for placements for all young asylum seekers (revised target date)
 - f. Community and Children's Services – value for money in relation to the use of semi-independent living providers (asylum seekers) (revised target date)
 - g. Community and Children's Services – improved contract monitoring arrangements for providers of services to looked after asylum seekers
 - h. City Surveyors – CLFS Enabling Works – Approval of contract variations
 - i. City Surveyors – CLFS Enabling Works – Completion of interim payment certificates

Review of the Follow-up Process

7. The current process results in a follow-up recommendation by recommendation, looking at those with target implementation dates between each Committee

meeting and operates on a “self-service” basis with an Audit liaison officer gathering and submitting evidence for review.

8. Issues with the current process:

- Audit liaison officers do not have the technical knowledge and experience of the Audit team and so are not always able to verify that the evidence is sufficient to demonstrate implementation. This results in a number of queries between the Audit team and departments.
- Audit areas will be subject to some follow-up activity on multiple occasions throughout the year as recommendations fall due but at no point is there a review of the collective impact of management action taken.
- The self-service approach does not allow for an assessment as to whether compensating controls exist, i.e. the opportunity to assess whether the recommendation raised is still valid.
- The context of the issues raised is lost when reporting against individual recommendations, as a result it is not always clear whether or not a significant issue exists.
- The reconciliation of live recommendations is very complex and results in very limited management information.
- Follow-up work is undertaken en masse for each Committee meeting, which dominates management time and a large proportion of auditor time for almost a whole week for every report prepared.
- Target implementation dates provided by departments are not always well considered which results in revised implementation dates being set when follow-up activity is undertaken.

9. Proposed approach and benefits:

- Follow-up work is delivered on an audit by audit basis, examining collectively the action taken to address all issues raised in the original audit review.
Benefit: enables a revised assurance opinion to be derived.
- Follow-up work is reported to the Audit and Risk Management Committee as part of the regular Internal Audit Plan Delivery update, in the format of an assurance map/grid. **Benefits:** Members will receive revised assurance opinions where Amber or Red assurance was previously given. Where the follow-up review does not result in a revised assurance opinion, it will be clear to Members which Officers should be invited to Committee and held to account.
- Follow-up reviews are scheduled at the time of agreeing the Final Audit Report. **Benefits:** improves accountability for implementation dates agreed. Less disruptive to the flow of audit work around the Committee timetable. More efficient use of Auditor, Audit Manager and Audit Liaison time.

10. Initial discussion with some Chief Officers regarding the proposed approach has resulted in very positive feedback and it is anticipated that, in addition to the above, this will result in improved engagement and, therefore, more consistent implementation of recommendations made.

Conclusion

11. Implementation progress is broadly consistent on a proportionate basis with the position since the last report made, with only 24% of high priority recommendations due not implemented in full by the agreed due date. In total, the number of live recommendations has decreased from 117 (at 31/10/2019) to 93 (at 31/12/2019). Internal Audit work is ongoing to confirm implementation of those recommendations reported as outstanding.
12. There is opportunity to improve the implementation of audit recommendations through changing the way that we work. It is anticipated that this will also bring about operational efficiencies for the Internal Audit team and colleagues that we interact with across the organisation.

Appendices

- Appendix 1 – Summary of Formal Follow-up Outcomes
- Appendix 2 – Analysis of Follow-up Recommendations Not Implemented
- Appendix 3 – Live High Priority Recommendations at the end of August 2019

Background Papers

- Report to Audit and Risk Management Committee: Internal Audit Recommendations Follow-up (May 2019, September 2019)
- Report to Audit and Risk Management Committee: Internal Audit Update (November 2019)

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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	5	0	4	0	9
Chamberlain's Procurement	2	0	3	0	5
City of London Freemen's School	2	0	0	0	2
City of London School	1	0	3	0	4
City of London School for Girls	15	0	4	0	19
Community & Children's Services	3	0	0	0	3
Guildhall School of Music & Drama	1	2	0	0	3
Town Clerk's EDO	0	0	0	6	6
Town Clerk's HR	0	1	1	0	2
Town Clerk's - Emergency Planning	0	0	0	1	1
TOTAL	29	3	15	7	54

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Corporate Follow-Up Exercise Outcomes – Live Recommendations due by 31/12/19

Appendix 2

Outstanding High Priority (Red & Amber) Recommendations

Department:		Barbican Centre			Original Assurance Rating:	Red
Audit:		Retail and Bars			Revised Assurance Rating:	Red
Recommendation Name	Priority	Target Date	Revised Target Date	Follow-Up Outcome	Management Comment	Latest Revised Target Date
Functionality of Revel system for Ordering of Retail's Stock	Amber	31/07/2018	31/12/2019	Partially Implemented.	The tender is being published after the Christmas holiday. Depending on the implementation period we would have a new system in place at the earliest of March 20 and the latest July 20.	31/07/2020
Online shop - Integration of Revel and Shopify	Amber	31/07/2018	31/12/2019	Partially Implemented.		31/07/2020
Retail Stock-take Revel System Functionality	Amber	31/07/2018	31/12/2019	Partially Implemented.		31/07/2020
Recording of Cross charges on Revel	Amber	31/07/2018	31/12/2019	Not Implemented.		31/07/2020
Department:		Barbican Centre			Original Assurance Rating:	Amber
Audit:		Visitor Experience			Revised Assurance Rating:	Amber
Recommendation Name	Priority	Target Date	Revised Target Date	Follow-Up Outcome	Management Comment	Latest Revised Target Date
Goals & Objectives - Definitions	Amber	31/08/2018	31/12/2019	Partially Implemented.	We have recently conducted an audience segmentation exercise and associated review which has lead to a closer definition of the different types of visitors. The following phase is to roll out training to departments. This is in progress. This is joined up with the wider audience experience training which will ensure a further one team approach to our customer experience and understanding.	31/07/2020
Measurement, Analysis and Dissemination	Amber	31/05/2019	31/12/2019	Partially Implemented.		31/07/2020
Goals & Objectives - Line of Sight	Amber	31/01/2019	31/12/2019	Not Implemented.	The new Strategic Plan and business plan aid this. These are on the work plan for both the Board and MT to gain regular updates.	31/07/2020
SMART Objectives	Amber	30/11/2018	31/12/2019	Not Implemented.	Draft KPI areas went to the Board in November 2019. As work develops on the business plan these will be fleshed out and finalised in the new year – Revised date – 31/05/20	31/05/2020
Goals & Objectives - Business Plan Monitoring	Amber	30/11/2018	31/12/2019	Not Implemented.	This is updated regularly and has just gone to the Board (Nov 19). Updates are on the work plan for both the Board and Management Team.	31/07/2020

Department: Audit:	Chamberlain's (City Procurement) Commercial Contract Management - Scorecards				Original Assurance Rating: Revised Assurance Rating:	Amber Amber
Recommendation Name	Priority	Target Date	Revised Target Date	Follow-Up Outcome	Management Comment	Latest Revised Target Date
Completing Scorecards	Amber	30/09/2019	N/A	Not Implemented.	Audit Comment: further correspondence received following completion of the corporate wide follow-up review, confirming implementation of recommendations. Evidence has been provided and will be reviewed as part of subsequent follow-up activity.	31/01/2020
Reporting to Members and Senior Management	Amber	31/07/2019	31/12/2019	Not Implemented.		31/01/2020
Backlog of Supplier Scorecards	Amber	30/06/2019	N/A	Not Implemented.		31/01/2020
Department: Audit:	Chamberlain's (City Procurement) Suppliers Health and Resilience				Original Assurance Rating: Revised Assurance Rating:	Amber Amber
Recommendation Name	Priority	Target Date	Revised Target Date	Follow-Up Outcome	Management Comment	Latest Revised Target Date
Category A Supplier Scorecards	Amber	31/07/2019	31/10/2019	Partially Implemented.	Audit Comment: further correspondence received following completion of the corporate wide follow-up review, confirming implementation of recommendations. Evidence has been provided and will be reviewed as part of subsequent follow-up activity.	31/01/2020
Financial Metrics Analysis and Commercial Analysis	Amber	30/06/2019	31/10/2019	Partially Implemented.		31/01/2020
Department: Audit:	City of London Freemen's School Institutional Review				Original Assurance Rating: Revised Assurance Rating:	Amber Amber
Recommendation Name	Priority	Target Date	Revised Target Date	Follow-Up Outcome	Management Comment	Latest Revised Target Date
Capture of Asset Purchases	Amber	29/02/2016	31/08/2019	Partially Implemented.	A proposal for a time bonded plan for the way forward is to be developed and submitted for agreement with Internal Audit, details of which will be made available by 31 March 2020. In outline, a plan will be created to include a protocol , a template for completion and a staff training & awareness raising program to enable a robust process for inventory capture can be implemented by 31 October 2020. This should enable a Inventory Update exercise to be completed over the following term.	31/10/2020

Department: City of London Freemen's School Audit: Cyber					Original Assurance Rating: Revised Assurance Rating:	Red Amber
Recommendation Name	Priority	Target Date	Revised Target Date	Follow-Up Outcome	Management Comment	Latest Revised Target Date
USB Ports Unlocked	Red	31/01/2019	30/11/2019	Partially Implemented.	In the Autumn term 2019, the ICT Strategy Group approved a policy to lock down USB drives so they cannot be used or, if their use is essential for business purposes, to enforce USB encryption prior to data transfer. The policy has been implemented and communicated accordingly. Internal protocols have been developed and staff awareness raising and training delivered as needed. However, due to serious accessibility issues for students during the exam period this has been temporarily reversed (ie 'un-locked down'). This will be restored late Jan once the exams complete. Further work is required to identify an 'exam proof' lock down process before the next round of exams in May 2020.	31/05/2020
Department: City of London School Audit: Cyber					Original Assurance Rating: Revised Assurance Rating:	Red Amber
Recommendation Name	Priority	Target Date	Revised Target Date	Follow-Up Outcome	Management Comment	Latest Revised Target Date
Governors Comms	Amber	31/12/2019		Not Implemented.	Cyber report wasn't prepared and issued for the previous BoG meeting in December, oversight on the school side. Next BoG is May 2020 where a standing agenda item will be cyber and data protection	31/05/2020
DSG minutes	Amber	31/07/2019	31/12/2019	Not Implemented.	Monthly agenda item to be added onto SMT meetings from week of 13th January 2020 concerning cyber security.	31/01/2020
Remote Wiping/InTune	Amber	30/09/2019		Partially Implemented.	The implementation of mobile device management for school owned devices (staff ultrabooks) was completed in August. Due to the complexities involved in the change, the roll-out was delayed for personal devices. This has seen a decline in the use of personal devices. Newly implemented AUP and Information Security Policy were issued to staff in the last quarter of 2019. Implementation timeframe is now May 2020 at which point a full demonstration will be provided to the audit team.	31/05/2020
Mobile device usage guidance	Amber	30/09/2019		Not Implemented.		31/05/2020

Department: Audit:	City of London School for Girls ICT				Original Assurance Rating: Revised Assurance Rating:	Amber Amber
Recommendation Name	Priority	Target Date	Revised Target Date	Follow-Up Outcome	Management Comment	Latest Revised Target Date
DR test	Amber	11/12/2015	28/02/2019	Not Implemented.	Critical system/data that is managed locally is only the shared file store and MIS system holding student data. The rest is on Office365 platform and recovery is managed by the Office 365 support. For the MIS and file store a DR test or table-top exercise has not been done. Guidance will be sought from the City of London IT Team regarding the steps needed for a DR Walkthrough tabletop exercise. An extension to end of April 2020 is specified as this is expected to be sufficient time to liaise with COL IT and complete the task. Revised implementation date : End of April 2020	30/04/2020
Department: Audit:	City of London School for Girls Budget Setting and Monitoring				Original Assurance Rating: Revised Assurance Rating:	Amber Amber
Recommendation Name	Priority	Target Date	Revised Target Date	Follow-Up Outcome	Management Comment	Latest Revised Target Date
Budget Estimating - Absence of budget monitoring processes involving budget holders	Amber	31/12/2019		Partially Implemented.	The Finance Manager has been holding these meetings with budget holders. Q3 review meetings have been arranged and meeting notes will be supplied to enable closure of the recommendation.	21/01/2020
Consistent approach to budget estimating	Amber	31/12/2019		Partially Implemented.	Procedure now documented. This should be finalised by 10 January and will then be circulated to staff (I will copy you in on the email that gets sent out). Work on the Survey Monkey to issue in February will provide evidence of how much staff are aware of procedures and help identify training needs.	29/02/2020

Department: City of London School for Girls Audit: Cyber					Original Assurance Rating: Red	Revised Assurance Rating: Red
Recommendation Name	Priority	Target Date	Revised Target Date	Follow-Up Outcome	Management Comment	Latest Revised Target Date
Create Password & Firewall Policy	Amber	13/12/2019		Partially Implemented.	The Password and Firewall Policies have been prepared. Version Control information is needed for the Password Policy. Password Policy and Review Frequency will be checked and added where necessary. Target Implementation Date: 15 February 2020	15/02/2020
Security Measures - Pen test	Amber	06/11/2019		Partially Implemented.	Last significant infrastructure change July 2018. Subsequently External Pen and Internal Pen Test Done March 2019 No major changes since that time. Please find attached Pen Test Report. External Company brought in to help address all pen test recommendations with revised implementation date of March 2020	31/03/2020
Security Measures - Pen Test frequency	Amber	13/12/2019		Partially Implemented.	As the IT Manager I have considered the Certifications such as Cyber Essentials Plus and will progress with the IT Management as this is a cost associated with this. However I have attended Cyber Security forums (Last one attended Approx June 2019) which keeps me informed about Cyber Certifications Requirements. A policy for penetration testing will be drafted by the IT systems manager by 14th February 2020.	14/02/2020

Cyber Strategy Information	Amber	13/12/2019		Partially Implemented.	<p>Cyber exposure identification is present in the cyber strategy document which is a link in the cyber handbook. Strategic Principles and Objectives sections outline Cyber Exposure details.</p> <ul style="list-style-type: none"> • Keeping Technology up to date relates to patching (policy) which is not currently in the Cyber Handbook but will be added as there is already a patching matrix in place. • Cyber Attacks are documented in the Cyber Handbook and Sophos is used for detection and ServiceDesk and Email is used for reporting. An incident management policy will be drafted as specified in the Cyber Security Strategy document and will include Cyber Attack Detection and Incident Reporting. • Physical information assets e.g Usbs are now locked down as demonstrated to Audit. <ul style="list-style-type: none"> • Governance structure is contained in Document Version Control however reporting to the board is to be established by requesting information from the bursar. • Regular Testing of Infrastructure is to be included and addressed in another rec 2952, thus excluded here. • Backups are duly completely and to supplement this a backup policy will be created to provide clarity to the policy and operational activity. 	31/03/2020
Network Diagram	Amber	13/12/2019		Partially Implemented.	<p>Network Diagram has been created but needs to be updated with latest addition of Firewall to link to COL. New Firewall introduced beginning of December 2019.</p> <p>Diagram to be updated to include some more detail e.g Makes location and models.</p> <p>Revised Implementation Date : 29 Feb 2020</p>	29/02/2020

Department: Audit:		City of London School for Girls Internal Controls			Original Assurance Rating: Revised Assurance Rating:	Red Amber
Recommendation Name	Priority	Target Date	Revised Target Date	Follow-Up Outcome	Management Comment	Latest Revised Target Date
Raising purchase orders	Amber	02/09/2019		Not Implemented.	Finance Bite Size has continued to be used to disseminate key procedures regarding procurement, Purchase Orders and good practice. Training will be arranged for the three key Heads of Department (IT, Music, PE) in February. Further evidence will be provided of the training taking place.	29/02/2020
Bite Size Financial Guidance	Amber	30/10/2019		Not Implemented.	These bite size reminders have continued to issue to all staff on a regular basis. Testing of staff knowledge has yet to take. This will be timed for next month (February) following the dissemination of the local Finance Procedure which is currently being finalised and should issue week commencing 13 January 2020. Evidence of this issuing will be provided. Evidence following Survey Monkey will be provided in February.	29/02/2020
Staff Awareness of Procurement Card Written Procedures	Amber	02/09/2019		Not Implemented.	These bite size reminders have continued to issue to all staff on a regular basis. Testing of staff knowledge has yet to take. This will be timed for next month (February) following the dissemination of the local Finance Procedure which is currently being finalised and should issue week commencing 13 January 2020. Evidence of this issuing will be provided. Evidence following Survey Monkey will be provided in February.	29/02/2020
Procurement Card Request Business Cases	Amber	02/09/2019		Partially Implemented.	This procedure has now been drafted and commented on by Audit. The aim is to finalise it by Friday 10 January and disseminate it the week after that.	19/01/2020
Asset Register Written Procedures	Amber	02/09/2019		Partially Implemented.	This procedure has now been drafted and commented on by Audit. The aim is to finalise it by Friday 10 January and disseminate it the week after that.	20/01/2020
Asset Register Maintenance	Amber	02/09/2019		Partially Implemented.	This has now been addressed in the local Finance Procedure which Audit have now seen and commented on. This will be finalised by 10 January and disseminated the following week. The asset registers and inventories are in various states of preparation and will continue to be worked on in the coming months. Regular updates can be provided on progress. The new Compliance Manager at the school will spot check these registries in the Summer holidays.	30/09/2020
Consistent Asset Register Format	Amber	11/07/2019	30/09/2019	Partially Implemented.	It is not possible to have a single unified format. Some departments need inventories not asset registers and IT asset register has different requirements to a valuables register. The various proposed templates have been shared with Audit.	31/03/2020
Annual Physical Asset Checks	Amber	02/09/2019		Partially Implemented.	Internal Audit: the checking process has been defined. A revised target timescale is required for demonstration of these checks in operation.	30/09/2020

Revenue Project Governance Procedures	Amber	02/09/2019		Partially Implemented.	This has been addressed in the draft local Finance Procedure which Audit have seen and commented on. The procedure will be finalised by 10 January 2020 and disseminated to staff the following week	19/01/2020
Written procedures for revenue project management	Amber	02/09/2019		Partially Implemented.	This has been addressed in the draft local Finance Procedure which Audit have seen and commented on. The procedure will be finalised by 10 January 2020 and disseminated to staff the following week.	19/01/2020
Business Cases Requirements for Revenue Projects	Amber	02/09/2019		Partially Implemented.	This has been addressed in the draft local Finance Procedure which Audit have seen and commented on. The procedure will be finalised by 10 January 2020 and disseminated to staff the following week.	19/01/2020
Department: Community and Children's Services					Original Assurance Rating:	Red
Audit: Asylum Seekers					Revised Assurance Rating:	Amber
Recommendation Name	Priority	Target Date	Revised Target Date	Follow-Up Outcome	Management Comment	Latest Revised Target Date
Procurement & Payment of Services - Contracts in Place	Red	31/12/2019		Partially Implemented.	New contract terms and specification for placements are being finalised by Commissioning and Controllers. Once finalised these will be used for new placements and will be used when placement contracts are reviewed. It is not anticipated that we will be able to provide evidence of full implementation for some time and request an extension on this recommendation until 31 March 2020	31/03/2020
Procurement of Semi-Independent Living Placements	Red	30/09/2019		Partially Implemented.	An extension of time has been requested for completion and signing of the outstanding Individual Agreements completed and signed by the relevant parties.	31/03/2020
Procurement - Individual Agreements	Red	30/09/2019		Partially Implemented.		31/03/2020
Department: Guildhall School of Music and Drama					Original Assurance Rating:	Amber
Audit: Student Affairs					Revised Assurance Rating:	Green
Recommendation Name	Priority	Target Date	Revised Target Date	Follow-Up Outcome	Management Comment	Latest Revised Target Date
Recording of Budget Monitoring Outcomes	Amber	28/02/2019	30/09/2019	Partially Implemented.		TBC
Review/Benchmarking of Service Provision	Amber	30/09/2019	31/10/2019	Partially Implemented.		TBC
Department: Guildhall School of Music and Drama					Original Assurance Rating:	Green
Audit: Production Arts Students Petty Cash					Revised Assurance Rating:	Green
Recommendation Name	Priority	Target Date	Revised Target Date	Follow-Up Outcome	Management Comment	Latest Revised Target Date
Petty Cash Fund Reconciliations	Amber	31/10/2019		Partially Implemented.	A process has been designed to address the recommendation and evidence of application in practice will be available by 31st January 2020.	31/01/2020

Department: Town Clerk's Declaration of Interests					Original Assurance Rating: Revised Assurance Rating:	Red Green
Recommendation Name	Priority	Target Date	Revised Target Date	Follow-Up Outcome	Management Comment	Latest Revised Target Date
Communication of Policy to Employees	Amber	30/04/2018	30/04/2019	Partially Implemented.	An on-line Declaration of Interest form has been developed in Firmsteps. Due to more snagging issues upon testing than anticipated, these are currently being worked through with IT support. We have had to revise our planned cascade and now intend a staggered as opposed to global release. Corporate HR will be a live test group first in early January, then Chamberlains and the rest of Town Clerk's. As advised previously we are not preparing training courses but aids to managers include declaration of interest examples, FAQs, a Managers' Handbook Guide and a new Conflicts of Interest Policy.	TBC
Department: Town Clerk's Corporate Wide Emergency Planning					Original Assurance Rating: Revised Assurance Rating:	Amber Amber
Recommendation Name	Priority	Target Date	Revised Target Date	Follow-Up Outcome	Management Comment	Latest Revised Target Date
Emergency Management Plan	Amber	30/06/2018	30/11/2019	Not Implemented.	The Corporate Emergency Plan content is complete , the current phase is for it to go back to publishers to carry out typo checks and place the sections in the order we have requested , this will be mid January.	31/01/2020

Department: Town Clerk's Audit: Innovation and Growth (EDO) - Projects and Programmes	Original Assurance Rating: Amber					
	Revised Assurance Rating: Amber					
Recommendation Name	Priority	Target Date	Revised Target Date	Follow-Up Outcome	Management Comment	Latest Revised Target Date
Quarterly Reviews are not done quarterly.	Amber	30/09/2019	N/A	Not Implemented.	Deep dives have been scheduled at 3 month intervals, these are supported by the Assistant Directors through the completion of supporting documentation that guides each team deep dive. All documentation and outcomes from these meetings are now stored securely in the SLT SharePoint. Internal Audit comment: implementation evidence awaited.	TBC
Business Case Outline	Amber	31/07/2019	N/A	Not Implemented.	Work is beginning with a consultant to facilitate best working practices across the department, throughout the identification and implementation of new ways of working we will be developing and documenting new processes and procedures.	TBC
Department: Town Clerk's Audit: Responsible Business Strategy	Original Assurance Rating: Amber					
	Revised Assurance Rating: Amber					
Recommendation Name	Priority	Target Date	Revised Target Date	Follow-Up Outcome	Management Comment	Latest Revised Target Date
Responsible Procurement Guidance	Amber	30/12/2019	N/A	Not Implemented.	Operational responsibility for Responsible Business is in transition following changes to key staffing and current vacancies, recommendation implementation to be reviewed once the position has stabilised.	TBC
Resilience	Amber	30/11/2019	N/A	Not Implemented.		TBC
Training	Amber	30/11/2019	N/A	Not Implemented.		TBC
On-Going Coordination Arrangements	Amber	30/11/2019	N/A	Not Implemented.		TBC
Department: Town Clerk's Audit: Human Resources - Staff Learning and Development	Original Assurance Rating: Amber					
	Revised Assurance Rating: Green					
Recommendation Name	Priority	Target Date	Revised Target Date	Follow-Up Outcome	Management Comment	Latest Revised Target Date
Review of L & D Policy	Amber	28/06/2019	31/12/2019	Not Implemented.	The policy has been amended and is waiting final sign off. It is hoped that the policy will be uploaded by the end of February 2020.	29/02/2020

TBC 848

High Priority (Red & Amber) Recommendations:

Department	Red Priority	Amber Priority	Total High Priority
Barbican	0	18	18
Built Environment	0	1	1
Chamberlain's Procurement	0	7	7
City of London Freemen's School	1	4	5
City of London Police	1	3	4
City of London School	1	5	6
City of London School for Girls	0	23	23
City Surveyor	2	2	4
Community & Children's Services	4	5	9
Guildhall School of Music & Drama	0	3	3
Markets & Consumer Protection	0	1	1
SJC Foundation School	0	1	1
Town Clerk	0	11	11
TOTAL	9	84	93

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Committee: Audit and Risk Management Committee	Date: 28 January 2020
Subject: Corporate Risk Update	Public
Report of: The Chamberlain	For decision
Report Author: Paul Dudley, Corporate Risk Manager	

Summary

This report provides the 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 (CORMG) on 3 December 2019 and the Summit Group on 19 December 2019. The report highlights a management approach to concerns about the growing number of corporate risks as well as seeking endorsement for the corporate risk management strategy.

A total of 344 risks (334 in November 2019) have been identified by departments providing a wide range of risks that may affect service delivery.

There are currently 17 (17 in November 2019) corporate risks included on to the corporate risk register of which there are eight red and nine amber risks.

The 17 risks include both the Climate Action (CR30) and Fundamental Review (CR31) risks, endorsed by the Committee on 19 November 2019, the addition of CR32 Wanstead Park Reservoirs risk (approved by Summit Group on 19 December 2019 and awaiting Committee endorsement) and the de-escalation of CR25 GDPR Compliance risk to Comptroller and City Solicitor's departmental risk register.

The total number of top red departmental risks is 18 (16 in November 2019). Two new risks have been added to this register.

The Committee is asked to note that Summit Group will be considering two possible corporate risks in the early part of 2020: one in relation to the City Corporation's capacity, capability and expertise to manage the 3-4 major capital schemes simultaneously; and the second concerning a wider issue of general competence in managing projects.

Following concerns regarding the growing number of corporate risks and the dangers of losing focus on the City Corporation's key concerns, Summit Group approved the key characteristics of a corporate risk that would in future be applied to proposed new corporate risks being considered by CORMG. They also agreed a proposed approach of reporting risk information to the Audit and Risk Management Committee which is aimed at focussing on the risks that may be above risk appetite and the approach in managing each risk. The Committee's views are sought on this proposal which is set out in more detail in paragraph 16 and 17 of the report.

On the 20 December 2019, the House of Commons backed the Government's plan for the UK to leave the EU on 31 January 2020. The EU (Withdrawal Agreement) Bill, now goes on to further scrutiny in Parliament. The bill would also ban an extension of the transition period - during which the UK is out of the EU but follows many of its rules – past 2020. The City Corporation's Brexit risk (CR26) has been revised to take account of the new situation. Summit Group will maintain a watching brief on this risk.

There have been some minor amendments received to the draft City Corporation's Risk Management strategy which was presented to the Committee for their initial comment on 19 November 2019. The Committee are now invited to endorse the revised strategy.

Recommendations

The Committee is asked to:

1. note the risk report including changes to both corporate and top red departmental risk registers since November 2019;
2. endorse Summit Group's decision to include CR32 Wanstead Park Reservoirs risk on to the corporate risk register;
3. note the development of two potential corporate risks to be considered by Summit Group relating to capacity and capability of the City Corporation's ability to simultaneously deliver 3-4 major capital schemes over the next few years as well as general competency in managing projects;
4. express a view on the proposed reporting arrangements for corporate risks to the Committee set out in para 16 and 17; and,
5. endorse the City Corporation's Risk Management Strategy.

Main Report

Background

- 1 The corporate risk and top red departmental risk registers have been reviewed by the CORMG on 3 December 2019 and Summit Group on 19 December 2019. A copy of the corporate risk matrix which illustrates the likelihood and impact ratings as well as the definitions for red, amber and green risks is included in appendix 5.
- 2 A total of 344 (334 in November 2019) wide ranging risks have been identified by departments – 39 red, 206 amber and 99 green risks.
- 3 Of the 344 total risks, there are 17 corporate, and 18 top red departmental level risks. There are another 96 amber and 36 green risks recorded at departmental level. The remaining 177 are recorded as either service, team or project level risks.

Corporate risk register

- 4 There are currently 17 corporate risks (eight red and nine amber). A corporate risk detailed register which includes risks categorised into risk appetite levels and highlighting the approach to managing each risk is attached as appendix 1. The corporate risk CR28 Action Fraud is excluded from this register but is presented in the Not for Publication part of the agenda (appendix 3). A summary version of the corporate risk register is attached as appendix 2.

5 Table 1 below – List of current corporate risks as at 7 January 2020 (ordered by risk score) and highlighting the risk assessment flight path.

Risk code	Risk title	Current Risk Score	Current Risk Score	Trend Icon	Flight path
CR20	Road Safety (O)	24			
CR24	Operational Security (O)	24			
CR28	Action Fraud (O)	24			
CR30	Climate Action (S)	24			
CR31	Fundamental review delivery (S)	24			
CR32	Wanstead Park. New. Summit Group approved Dec 2019 (O)	24			
CR17	Safeguarding (O)	16			
CR19	Police Funding (S)	16			
CR01	Resilience Risk (O)	12			
CR02	Loss of Business Support for the City (S)	12			
CR10	Adverse Political Developments (S)	12			
CR16	Information Security (O)	12			
CR21	Air Quality (O)	12			
CR29	Information Management (O)	12			
CR09	Health Safety and Wellbeing Risk (Management System) (O)	8			
CR26	Brexit - Organisational Impact (S)	8			
CR27	Change Management (S)	6			

6 **Changes to the Corporate risk register**
The corporate risk register has seen the following changes since November 2019:

New risks added:

- Two new risks (CR30 Climate Action and CR31 Fundamental review) were endorsed by the Committee on 19 November 2019.
- CR32 Wanstead Park Reservoirs, approved by Summit Group on 19 December 2019. This risk is now awaiting endorsement by the Committee. (see 6 below)

Risk removed:

- CR25 GDPR compliance has been de-escalated to Comptroller and City Solicitor's departmental risk register.

Other changes to the corporate risk register:

- CR09 Health, Safety and Wellbeing (Management System) risk. At the Corporate Health Safety and Wellbeing Committee on 25 November 2019, the Committee agreed that, in the existing risk climate, that the current risk score could be reduced to 8.
- CR26 Brexit risk has been reframed to consider the preparedness of City Corporation services after the UK leaves the EU on 31 January 2020 and also the end of the transition period in December 2020.

Changes to the corporate risk register under consideration

- 7 The Committee is asked to note that Summit Group will be considering two possible corporate risks in the early part of 2020: one in relation to the City Corporation's capacity, capability and expertise to manage the 3-4 major capital schemes simultaneously; and the second concerning a wider issue of general competence in managing projects.
- 8 The Town Clerk has reviewed CR27 Change Management risk in light of the Fundamental Review. As a result, the Town Clerk has referred this risk to CORMG with the suggestion that CR27 be removed from the corporate risk register and that change management become an integral part of the Fundamental Review implementation plan.

CR32 Wanstead Park Reservoirs risk - for endorsement

- 9 Summit Group approved the inclusion of this risk onto the corporate risk register on 19 December 2019 with the proviso that the risk remain on the corporate risk register until a firm mitigation plan was in place. This new risk (CR32) is presented to the Committee for endorsement. A detailed description of CR32 is included in the detailed risk register report, see appendix 1.

Disposition of corporate risk on the risk matrix

- 10 Table 2 below shows the disposition of corporate risks on the risk matrix between 22 November 2019 and 7 January 2020.



Corporate risk ratings and target dates

11 Out of the 17 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 11 other risks relate to specific target dates where the risk scores should be achieved.

12 The corporate risk with the highest likelihood rating (Likely) is CR23 Police Funding. The corporate risks which have the highest impact rating (Extreme) are CR17 Safeguarding, CR20 Road Safety, CR24 Operational Security, CR28 Action Fraud, CR31 Fundamental Review, CR30 Climate Action and CR32 Wanstead Park Reservoirs.

Top departmental red risks

13 There are 18 top red departmental risks (16 in November 2019). Two new risks have been added: DBE-TP-01 Road traffic collision and CHB IT 001 Resilience – power and Infrastructure. A summary version of the top red risk departmental risk register is attached as appendix 4.

14 The highest current top red departmental level risk is BBC-Ex-Halls-003- Exhibition Halls Compliance and Condition Risk (Red 24). CORMG reviewed this risk and, following a report from the Barbican Centre's Director of Operations, were satisfied that this risk was currently being managed locally in the interim and with short-term solutions. There were plans in place to seek funding for more in-depth surveys which might lead to capital expenditure bids to remediate the area. BBC-Ex-Halls-003 has been drawn to the attention of the Health, Safety and Wellbeing Committee.

Brexit

15 On 20 December 2019, the House of Commons backed the Government's plan for the UK to leave the EU on 31 January 2020. The EU (Withdrawal Agreement) Bill, now goes on to further scrutiny in Parliament. The bill would also ban an extension of the transition period - during which the UK is out of the EU but follows many of its rules – past 2020. The City Corporation's Brexit risk (CR26) has been revised to take account of the new situation.

Corporate risk register – Number of risks

16 The purpose of the corporate risk register is that it should contain the City Corporation's most significant risks to the achievement of its corporate outcomes and wider objectives. Concern has been expressed by the Chamberlain and by the Audit and Risk Management Committee regarding the growing number of risks captured on this register and the danger of losing focus on the City Corporation's key concerns.

17 Summit Group considered this issue on 19 December 2019 and agreed a number of steps:

- a) For proposed new corporate risks CORMG will use a set of corporate risk characteristics when assessing whether a risk should be recommended to the Summit Group for inclusion on to the corporate risk register. These are set out in appendix 5 the Risk Management Strategy (and included as page 29 of the City Corporation risk management strategy document)
- b) The Committee's views be sought on providing:
 - a detailed corporate risk register including **all** corporate risks on an annual basis (usually in May). The detailed risk register will include risks categorised into appetite levels (above, at and below) as well as indicating the approach to managing each risk.
 - For the other three Committee meetings where risk updates are reported in a Municipal year, only those risks which appear to be **above** risk appetite would be reported in the detailed risk register format. A detailed risk register will be available on request.
 - A list of **all** corporate risks indicating risk appetite levels to be provided in summary format at each meeting.

For the purpose of the Committee meeting on 28 January 2020, a full detailed corporate risk register categorised into risk appetite levels (above, at and below) as well as showing the approach to managing each risk is included in appendix 1. The corporate risk summary report is attached as appendix 2.

Corporate Risk Management Strategy

18 Both Summit Group (October) and the Committee (November) received the draft City Corporation risk management strategy for initial comment. A number of minor amendments were received and incorporated in the final version of the strategy which was approved by Summit Group on 19 December 2019. The Committee is now requested to formally endorse the document. (See appendix 5)

Conclusion

19 The corporate and top red departmental risk registers were reviewed by CORMG on 3 December 2019 and Summit Group on 19 December 2019. The CORMG provides additional assurance to the Summit Group, COG and the Audit and Risk Management Committee that corporate and top red departmental risks are appropriate and being actively managed. The report proposes a management approach for assessing potential new corporate risks and the reporting corporate risks. It also seeks final endorsement of the corporate risk management strategy.

Appendices:

Appendix 1 – Corporate risk and actions detailed report

Appendix 2 – Corporate risk summary report

Appendix 3 – CR28 Action Fraud (Non-Public)

Appendix 4 – Top red departmental risk register- summary report

Appendix 5 – Corporate Risk Management Strategy

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



Corporate risk register - detailed report (excluding completed actions)

Report Author: Paul Dudley

Generated on: 15 January 2020

(Note this report does not include CR28 Action Fraud which is included in the Not for Publication part of the A&RMC agenda 28/1/2020)

Rows are sorted by Risk Score

Code & Title: CR Corporate Risk Register 16

Risk Appetite Level Description Risk above appetite

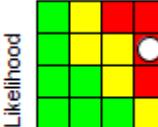
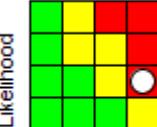
Risk Appetite Level Description: Risk above appetite 9

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact) and Risk approach	Current Risk Rating & Score/ risk appetite level	Risk Update and date of update	Target Risk Rating & Score	Target Date	Current Risk score change indicator																															
CR20 Road Safety 23-Oct-2015 Carolyn Dwyer	<p>Cause: Limited space on the City's medieval 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>Event: The City Corporation's statutory duties and the measures outlined in the Transport Strategy are not fully and effectively implemented.</p> <p>Effect:</p> <ul style="list-style-type: none"> The number of casualties occurring on the City's streets rises or remains unchanged instead of reducing The safety and feeling of safety of the City's communities is adversely affected (Corporate Plan Outcome 1) Physical or mental harm suffered by those involved in collisions and their associates 	<table border="1" style="display: inline-table; vertical-align: middle;"> <tr> <td style="text-align: center;">Likelihood</td> <td style="background-color: green;"></td> <td style="background-color: yellow;"></td> <td style="background-color: red;"></td> <td style="background-color: green;"></td> </tr> <tr> <td style="text-align: center;">Impact</td> <td style="background-color: green;"></td> <td style="background-color: yellow;"></td> <td style="background-color: red;"></td> <td style="background-color: green;"></td> </tr> <tr> <td style="text-align: center;">Risk above appetite</td> <td colspan="4"></td> </tr> </table>	Likelihood					Impact					Risk above appetite					<p>24</p> <p>07 Jan 2020</p>	<table border="1" style="display: inline-table; vertical-align: middle;"> <tr> <td style="text-align: center;">Likelihood</td> <td style="background-color: green;"></td> <td style="background-color: yellow;"></td> <td style="background-color: red;"></td> <td style="background-color: green;"></td> </tr> <tr> <td style="text-align: center;">Impact</td> <td style="background-color: green;"></td> <td style="background-color: yellow;"></td> <td style="background-color: red;"></td> <td style="background-color: green;"></td> </tr> <tr> <td style="text-align: center;">Risk above appetite</td> <td colspan="4"></td> </tr> </table>	Likelihood					Impact					Risk above appetite					<p>16</p>	<p>31-Mar-2022</p>	<p>Constant</p>
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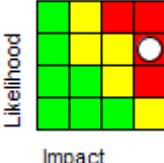
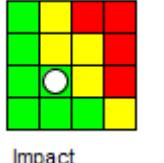
<ul style="list-style-type: none"> Economic costs of collisions impact on INDIVIDUALS, City businesses and wider society The City Corporation's ABILITY TO IMPROVE ROAD SAFETY is adversely impacted with businesses and/or the public BY VIRTUE OF A LOSS OF CREDIBILITY AND/OR AUTHORITY <p>(revised risk description 27/6/19)</p>							
Reduce							

Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR20l Road danger reduction and Vision Zero Page 58	<p>A programme of projects to reduce road danger on the City's streets including:</p> <ul style="list-style-type: none"> • Bank on Safety and All Change at Bank • RDR engineering programme • 15mph traffic limit • Ludgate Circus (lead by TfL) 	Changes to Ludgate Circus implemented by TfL in December. Delivery of Bank on Safety interim scheme to begin in January 2020. Continuing to engage with TfL on improvements to the junction at Bevis Marks/Wormwood and Bishopsgate and the Fenchurch Street/Lombard Street/Gracechurch Street Junction. Preparing 15mph request to DfT, with target submission date of March 2020. Safety improvements to Gresham Street/Old Jewry/Basinghall Street to be delivered in Q4.	Zahur Khan	07-Jan-2020	31-Mar-2022
CR20m Road Danger Reduction campaigns and engagement	<p>Campaigns and engagement activities to encourage safe behaviours and promote safe vehicles, including:</p> <ul style="list-style-type: none"> • Active City Network • User and stakeholder liaison • Schools programme 	A winter campaign to improve compliance with the 20mph speed limit will be delivered in partnership with the City Police, who are providing extra resource to tackle speeding vehicles. Enforcement will be supported by a Social Media campaign. As part of their road safety education, The City of London School Year 6 classes will support this campaign with a 'Junior Roadwatch' to monitor the speed of traffic on Queen Victoria Street.	Zahur Khan	07-Jan-2020	31-Mar-2022

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Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact) and Risk approach	Current Risk Rating & Score/risk appetite level	Risk Update and date of update	Target Risk Rating & Score	Target Date	Current Risk score change indicator
CR24 Operational Security 07-Jun-2017 John Barradell	<p>Cause: Inadequate, poorly maintained or time expired security infrastructure; lack of security culture within the organisation; poor training or organisation of staff; insufficient staff.</p> <p>Event: Security of an operational property is breached.</p> <p>Effect: 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</p> <p>Reduce</p>	 Likelihood Impact	24 Risk above appetite	Location B physical works now complete, CCTV upgrade still awaited. 19 Dec 2019	 Likelihood Impact	16 30-Apr-2020 Constant

Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR24a Cross Cutting infrastructure enhancements	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	19-Dec-2019	30-Apr-2020
CR24b Mitigating risk of vehicle borne attacks	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	19-Dec-2019	30-Apr-2020
CR24e HVM for major events	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	19-Dec-2019	30-Apr-2020

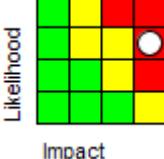
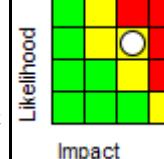
Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact) and Risk approach	Current Risk Rating & Score/risk appetite level	Risk Update and date of update	Target Risk Rating & Score	Target Date	Current Risk score change indicator		
CR30 Climate Action	<p>Cause: Insufficient resources and prioritisation allocated to Climate Action.</p> <p>Event: 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>Impact: 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"> • failing to deliver on the climate ambitions in our Responsible Business Strategy; • damaging the City's credibility in Green Finance and Insurance markets; • reducing our ability to play a major role in the 2020 UN Climate Change Conference COP 26 in Nov 2020; • reducing our ability to effectively reduce carbon emissions in the next two carbon budget periods (2022 and 2027) <p>failing to adequately invest in climate resilience measures.</p>	 Likelihood Impact	24	<p>To expedite the process of procuring such a large amount of consultancy support, we have sought information, advice and guidance from the following consultants who are active in the climate action, environment and sustainability space: AECOM, DNV-GL, SustainAbility, Anthesis and CDP. We have also agreed within the Climate Action Task and Finish Group that James Rooke, Janet Laban and Sufina Ahmad, with support from Daniel Lawson and Simi Shah, should lead on ensuring the procurement of consultancy support takes place, and that the easiest way of doing this will be to do it as one large contract or a range of smaller lots, where different consultancy projects are 'bundled' together, as well as seeking dedicated programme management consultancy support that oversees all the work that is procured. We will have a clear decision on the way forward in terms of procurement by 15.11.19.</p> <p>It is also worth noting that the Responsible Business Strategy Officer recruitment is progressing positively, with three candidates being invited to interview on 15.11.19, and we have particularly sought candidates with a strong background in climate action, carbon accounting, sustainability and the environment. Finally, Sufina Ahmad is due to leave in December 2019, but her work will be handed</p>	 Likelihood Impact	4	30-Jun-2020	■

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07-Oct-2019 John Barradell			Risk above appetite	over to Tom Conniffe in her team who is already in post.				Constant
				08 Nov 2019				
	Reduce							

Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR30a Carbon emissions evidence	Develop evidence on carbon emissions from the City Corporation's property portfolios and identify actions to reduce emissions – Scope 1 and 2.	Consultancy support has been commissioned by City Surveyor's to deliver this work. The contracts are in place but the work has yet to begin.	Paul Wilkinson	08-Nov-2019	30-Jun-2020
CR30b Carbon sequestration evidence	Develop evidence on carbon sequestration from City Corporation managed Open Spaces.	A briefing for this work has been drafted by Janet Laban, and colleagues in Open Spaces are supporting with finalising the briefing. Advice on this has been sought from the following consultancies: AECOM, DNV-GL, CDP, SustainAbility and Anthesis too.	Colin Buttery	08-Nov-2019	30-Jun-2020
CR30c AECOM Zero Emissions	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	A meeting with AECOM on 30.10.19 was used to discuss updating the report and the requirements around this.	Carolyn Dwyer	08-Nov-2019	30-Jun-2020
CR30d Evidence on Scope 3 emissions	Develop evidence on Scope 3 emissions from the City Corporation's supply chain.	Advice on this has been sought from the following consultancies: AECOM, DNV-GL, CDP, SustainAbility and Anthesis too.	Peter Kane	08-Nov-2019	30-Jun-2020
CR30e Scope 3 emissions	Develop parameters and metrics to demonstrate accurate measurement and reporting of Scope 3 emissions for the City Corporation	Advice on this has been sought from the following consultancies: AECOM, DNV-GL, CDP, SustainAbility and Anthesis too.	Paul Wilkinson	08-Nov-2019	30-Jun-2020
CR30f ESG standards	Review exposure in equity and property portfolios of the Corporation to investments that are not in line with current ESG standards	The Responsible Business Strategy Officer role is being recruited to, and as part of the JD we have outlined the need to consider ESG standards within our equity and property portfolios. Interviews are due to take place on 15.11.19. Advice on this has been sought from the following consultancies: AECOM, DNV-GL, CDP, SustainAbility and Anthesis too.	Damian Nussbaum	08-Nov-2019	30-Jun-2020
CR30g Research plan for assessment of Scope 3 emissions	Develop a research plan for assessment of Scope 3 emissions for the Square Mile aiming to identify the top 10 emissions sources.	A briefing on this has been started outlining the way that this might be approached by Janet Laban. Advice on this has been sought from the following consultancies: AECOM, DNV-GL, CDP, SustainAbility and Anthesis too.	Carolyn Dwyer	08-Nov-2019	30-Jun-2020
CR30h Climate resilience	Develop a climate resilience adaptive pathways model to establish critical thresholds, before which actions must be	Advice on this has been sought from the following consultancies: AECOM, DNV-GL, CDP, SustainAbility and Anthesis too.	Carolyn Dwyer	08-Nov-2019	30-Jun-2020

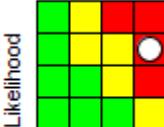
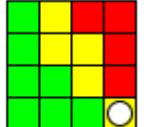
adaptive pathways model	taken to adapt to climate related flood risk, overheating, infrastructure protection.				
CR30i Net Zero Carbon target date	Use evidence to set targets for carbon reduction trajectory and identify Net Zero Carbon target date for the City Corporation and Square Mile.	Advice on this has been sought from the following consultancies: AECOM, DNV-GL, CDP, SustainAbility and Anthesis too.	Carolyn Dwyer; Paul Wilkinson	08-Nov-2019	30-Jun-2020
CR30j Climate Action Strategy	Draft Climate Action Strategy in line with the government's 5-year carbon budget periods (2017-22, 2023-27, 2028-32 etc).	Not yet started – still in evidence gathering stage.	Kate Smith	08-Nov-2019	30-Jun-2020
CR30k Climate Action Strategy approval	Summit Group approval of Climate Action Strategy with associated funding secured through the 2019 City Corporation's Fundamental Review.	Not yet started – still in evidence gathering stage.	Kate Smith	08-Nov-2019	30-Jun-2020

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact) and Risk approach	Current Risk Rating & Score/risk appetite level	Risk Update and date of update	Target Risk Rating & Score	Target Date	Current Risk score change indicator
2021 Fundamental review delivery	<p>Cause: 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>Event: 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>Effects:</p> <ul style="list-style-type: none"> 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. Stakeholders experience the impacts of reduced services / service levels 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. 	 Likelihood Impact	<p>24</p> <p>Chief Officers have submitted various options to meet the objectives of the Fundamental Review, which will be reviewed by relevant committees in early 2020 alongside other options put forward by the Fundamental Review Strategy Group.</p> <p>The Town Clerk and Chief Officers continue to brief all staff on Fundamental Review developments in meetings and / or through online communications, while the Director of HR continues to liaise with staff unions.</p> <p>The Chair of Policy, Chairman of Finance and their Deputies are continuing to brief Members., following the RASC Away Days in 2019.</p>	 Likelihood Impact	<p>12</p> <p>31-Mar-2021</p>	■

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07-Oct-2019 John Barradell	<ul style="list-style-type: none"> • Being unable to set a balanced budget which is a statutory requirement for City Fund. • Spend is not aligned to Corporate Plan outcomes resulting in inefficient use of resources and/or poor performance. 		Risk above appetite	03 Jan 2020					Constant
			Reduce						

Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR31h Fundamental Review governance	To establish the governance and reporting arrangements for the Fundamental Review implementation stage.	Programme Director appointed 6 Jan 2020 to co-ordinate a key aspect of governance and reporting arrangements. Programme work plan to be produced in Jan 2020.	Simon Latham	08-Jan-2020	31-Mar-2020
CR31i Fundamental Review implementation plan	To implement the Fundamental Review project plan	Programme Director appointed 6 Jan 2020 to co-ordinate the implementation of a key aspect of the project plan. Programme work plan to be produced in Jan 2020. Departments to continue with progressing fundamental review ideas in line with existing governance and operational arrangements.	Simon Latham	08-Jan-2020	31-Mar-2021

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact) and Risk approach	Current Risk Rating & Score/risk appetite level	Risk Update and date of update	Target Risk Rating & Score	Target Date	Current Risk score change indicator
CR32 Wanstead Park Reservoirs (formerly OSD 013) 09-Dec-2019 Colin Buttery	<p>(Cause) Gradual deterioration of the fabric of the reservoirs and / or excessive rain.</p> <p>(Event) Risk that the reservoirs may overtop and be washed away, leading to a cascading breach.</p> <p>(Impact):</p> <ul style="list-style-type: none"> Potential for loss of life or injury to staff/residents. Low level flooding of the park and surrounding residential/commercial areas Park closed for several weeks Civil claims/financial loss claims made from residents/businesses Adverse effect on the reputation of the City corporation (Local/national media interest) Legal action by the Environment Agency Requirement for significant immediate CoLC funds to repair damage Damage to a listed landscape. 	 24 <small>Risk above appetite</small>	Formerly accepted on to the Corporate Risk Register by Summit Group on 19 December 2019. 20 Dec 2019	 8	30-Jun-2024	■ Constant

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Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
OSD 013 a Appointment of all-panels reservoir engineer	Appointment of all-panels reservoir engineer to undertake a study of the risk of overtopping and identify if any actions are required.	New action.	Paul Monaghan	09-Dec-2019	31-Mar-2020

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OSD 013 b Project Board	Create and lead a project board.	Next meeting scheduled for February 3 2020.	Colin Buttery	09-Dec- 2019	03-Feb- 2020
OSD 013 c Evaluate and analyse the report.	Evaluate and analyse the report from the reservoir engineer.	To commence upon receipt of the report.	Paul Monaghan	09-Dec- 2019	15-May- 2020
OSD 013 d Environment Agency Actions	Confirm to EA that measures in the interest of safety have been completed.	To take place after receipt of the report.	Paul Monaghan	09-Dec- 2019	31-Oct- 2020
OSD 013 e Update to Audit and Risk Committee	Submit an update to A&R Committee in June 2020.	New action. Update to take place after receiving the report.	Colin Buttery	09-Dec- 2019	30-Jun- 2020
OSD 013 f Gateway 3 Report	Gateway 3 report requesting funding to consider the options.	New action. Report planned for October 2020.	Paul Monaghan	09-Dec- 2019	31-Oct- 2020

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Task no, Title, creation date, Owner	Risk Description (Cause, Event, Impact) and Risk approach	Current Risk Rating & Score/risk appetite level	Risk Update and date of update	Target Risk Rating & Score	Target Date	Current Risk score change indicator
CR17 Safeguarding	<p>Cause: Not providing appropriate training to staff or members; not providing effective leadership, management or supervision; poor case management, information sharing or actions.</p> <p>Event: Failure to deliver actions under the City of London's Corporate Safeguarding Policy. All staff (and in particular social workers & teachers) not taking appropriate action in relation to safeguarding issues.</p> <p>Effect: 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 <div style="display: flex; justify-content: space-around;"> Risk above 21 Nov 2019 </div>	<p>The new local safeguarding partnership arrangements have now been put in place.</p> <p>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.</p>	 Likelihood Impact	8 31-Mar-2020 Constant
22-Sep-2014 Andrew Carter						

Reduce		appetite			
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Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR17q Business Continuity Protocol for Out of Hours Service	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 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 the technical aspects are still being investigated. 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	26-Nov-2019	31-Dec-2019
CR17U Member Training and Development	DCCS will be working with Town Clerks Department to deliver a Member briefing programme in 2019 that will enhance member knowledge and understanding of key safeguarding areas across children and adults.	<p>Corporate Parenting Members Briefings as follows:</p> <ul style="list-style-type: none"> • Special Education Needs & Disabilities Briefing has now taken place. • Adult Social Care Briefing due to take place during quarter 3 2019/20 • The Chairman and Deputy Chairman will be visiting Children Social Care Providers and young people during quarters 3 & 4 2019/20. • Rough sleepers Breakfast Briefing will take place in quarter 4 2019/ 20 	Chris Pelham	21-Nov-2019	28-Feb-2020
CR17V Outcome of Corporate Safeguarding Audit	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.	The updated Corporate Safeguarding Policy will be presented to Chief Officers in quarter 3 2019/20. Departmental Champions will be identified and new Champions Group established.	Chris Pelham	21-Nov-2019	31-Jan-2020

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact) and Risk approach	Current Risk Rating & Score/risk appetite level	Risk Update and date of update	Target Risk Rating & Score	Target Date	Current Risk score change indicator
CR23 Police Funding Nov-2016 Ian Dyson; Peter Kane	<p>Cause: Reduction in government funding, workforce costs and growing demand in Policing services leading to pressures for the City Fund -Police.</p> <p>Event: Reduction in government funding. Failure to deliver VfM savings. Budget deficit forecast for next 5 years requiring action to balance the budget</p> <p>Effect: 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>	 Likelihood Impact	16 Risk above appetite	<p>Updated MTFP presented to January Committee cycle, incorporating the costs of 67 growth roles and all current Police savings plans. Shows balanced finances for 20/21 subject to the delayed Government settlement and resource allocation decisions. In subsequent years deficits of c.£3m pa exist due to addition of loan repayment assumptions for Action Fraud and Police capital priorities. Further mitigations will therefore be required which may include delivering further savings on shared services. A key financial risk within the MTFP relates to future Action Fraud requirements</p> <p>15 Jan 2020</p>	 Likelihood Impact	12 Constant

Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR23g Sustainable Settlement 2020/21 onwards	Implement sustainable medium-term financial settlement for CoLP: - Revenue position Capital financing	Updated MTFP presented to January Committee cycle, incorporating the costs of 67 growth roles and all current Police savings plans. Shows balanced finances for 20/21 subject to the delayed Government settlement and resource allocation decisions. In subsequent years deficits of c.£3m pa exist due to addition of loan repayment assumptions for Action Fraud and Police capital priorities. Further mitigations will therefore be required which may include delivering further savings on shared services. A key financial risk within the MTFP relates to future Action Fraud requirements	Alistair Cook	15 Jan-2020	31-Mar-2020

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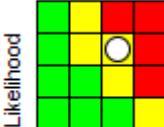
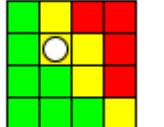
Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact) and Risk approach	Current Risk Rating & Score/ risk appetite level	Risk Update and date of update	Target Risk Rating & Score	Target Date	Current Risk score change indicator
CR01 Resilience Risk 20-Mar-2015 John Barradell	<p>Cause - Lack of appropriate planning, leadership and coordination</p> <p>Event - Emergency situation related to terrorism or other serious event/major incident is not managed effectively</p> <p>Effect - Major disruption to City business, failure to support the community, assist in business recovery. Reputational damage to the City as a place to do business.</p>	<div style="display: flex; justify-content: space-around; align-items: center;"> Likelihood Impact </div>	12 <div style="display: flex; justify-content: space-around; align-items: center;"> Risk above appetite 19 Dec 2019 </div>	<div style="display: flex; justify-content: space-around; align-items: center;"> Likelihood Impact </div>	12 30-Apr-2020	Constant

Action no, Title	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR01L Business Continuity Management	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 oversight of the Col business impact analysis, identifying its most critical business areas	Action place now in place to implement key recommendations from the training and BIA process	Gary Locker	19-Dec-2019	30-Apr-2020
CR01M Review of LALO Local authority liaison officer	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	19-Dec-2019	31-Dec-2019
CR01N Standardisation procedures	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	19-Dec-2019	31-Dec-2019
CR01Q Rolling DR tests	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	Matt Gosden	19-Dec-2019	31-Mar-2020

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		Subcommittees			
CR01R Site Assurance audit and recommendation	<p>All COL and COLP comms and data rooms are being audited with a view to:</p> <ul style="list-style-type: none"> • Assessing power and security provision • Update the Comms Room Policy and MoU with City Surveyors, including categorisation of rooms into critical and non-critical. <p>Provide recommendations for a project to improve the power/UPS resiliency in these rooms.</p>	<p>Audits almost complete.</p> <p>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.)</p>	Matt Gosden; Kevin Mulcahy	19-Dec-2019	31-Dec-2019

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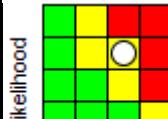
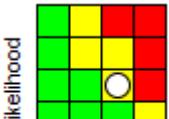
Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact) and Risk approach	Current Risk Rating & Score/risk appetite level	Risk Update and date of update	Target Risk Rating & Score	Target Date	Current Risk score change indicator
CR21 Air Quality 07-Oct-2015 Ruth Calderwood Page 70	<p>Cause: Small particulate pollution has chronic health impacts from long term exposure at very low concentrations and is in evidence within the City and central London. There is also a health impact associated with long term and short-term exposure to nitrogen dioxide.</p> <p>Event: Under certain atmospheric conditions there is a higher probability of poor air quality within the City and it is more likely that residents, workers and visitors would suffer the acute consequences.</p> <p>Effect: The consequences both acute and chronic may include:</p> <ul style="list-style-type: none"> 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>Reduce</p>	 Likelihood Impact	12 Risk above appetite	<p>Early indications are that roadside concentrations of nitrogen dioxide have reduced following the introduction of the Mayor of London Ultra Low Emission Zone and zero emission buses and taxis. A full assessment will take place in April 2020, one year after the implementation of the ULEZ.</p> <p>05 Dec 2019</p>	 Likelihood Impact	6 31-Dec-2020 Constant

Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR21 001h Publish annual report of air	Develop baseline model for compliance assessment and publish annual report of air quality data	Next annual report due April 2020	Ruth Calderwoood	05-Dec-2019	31-Dec-2025

quality data						
CR21 001i Compliant vehicles	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	05-Dec-2019	31-Dec-2025	
CR21 001j Develop Private Members Bill	Develop and support an Emission Reduction Private Members Bill for London local authorities	Bill introduced to the House of Lords in October by Lord Tope. Parliament now dissolved so Bill will need to be reintroduced with new parliament	Ruth Calderwood	05-Dec-2019	31-Dec-2021	
CR21 001k Engine idling programme	Manage pan London idling vehicle engine programme	Hosted London Borough wide idling enforcement workshop. Hosted training session for enforcement officers	Ruth Calderwood	05-Dec-2019	20-Mar-2020	

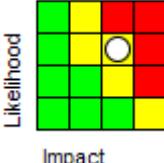
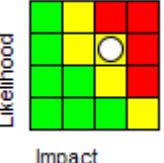
Risk Appetite Level Description Risk at appetite

Risk Appetite Level Description: Risk at appetite 6

Risk no, Title, Creation date, owner	Risk Description (Cause, Event, Impact) and Risk approach	Current Risk Rating & Score/risk appetite level	Risk Update and date of update	Target Risk Rating & Score	Target Date	Current Risk score change indicator
SR02 Loss of Business Support for the City 22-Sep-2014 Damian Nussbaum	<p>Cause - The City Corporation's actions to promote and support the competitiveness of the business City do not succeed.</p> <p>Event - The City's position as the world leader in international financial services is adversely affected</p> <p>Effect - The City loses its ability to attract and retain high value global business activity, both as a physical location and in mediating financial and trade flows; the City Corporation's business remit is damaged, and its perceived relevance is diminished. Reputational damage to the City as a place to do business and to Corporation ability to govern effectively</p> <p>Reduce</p>	 Impact	12 Risk at appetite 06 Jan 2020	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. Increased engagement with priority markets including Japan, US, Switzerland and China	 Impact	8 30-Apr-2020 Constant

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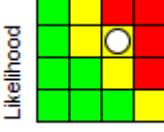
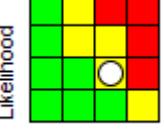
Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR02H Improved International Engagement and supporting innovation in the development of new products and services.	Work on initiatives which ensure London is at the forefront of innovation in financial and professional 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	06-Jan-2020	31-Jan-2020

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact) and Risk approach	Current Risk Rating & Score/risk appetite level	Risk Update and date of update	Target Risk Rating & Score	Target Date	Current Risk score change indicator
CR10 Adverse Political Developments	<p>Cause: 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>Event: 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>Impact: 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>	 Impact	12 <small>Risk at appetite</small>	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. Risk score increased to 12 from 8 given changing political conditions. 04 Nov 2019	 Impact	12 <small>Constant</small>
22-Sep-2014 Paul Double	Accept				31-Mar-2020	

Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR10a monitoring legislation	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

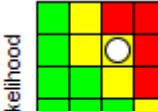
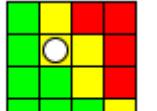
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		amendments tabled in Parliament as required. The legislative consequences of Britain leaving the EU as they may affect the Corporation and the City more generally as an international financial centre is a key priority.			
CR10b Provision of information	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 Stakeholder engagement	Engagement with key opinion informers in Parliament and elsewhere. Programme of work to monitor and respond to issues affecting the reputation of the City Corporation.	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) and Risk approach	Current Risk Rating & Score/ risk appetite level	Risk Update and date of update	Target Risk Rating & Score	Target Date	Current Risk score change indicator
CR16 Information Security (Formerly CHB IT 030) 10-May-2019 Peter Kane	Cause: Breach of IT Systems resulting in unauthorised access to data by internal or external sources. Officer/ Member mishandling of information. Event: The City Corporation does not adequately prepare, maintain robust (and where appropriate improve) effective IT security systems and procedures. Effect: Failure of all or part of the IT Infrastructure, with associated business systems failures. Harm to individuals, a breach of legislation such as the Data Protection Act 2018. Incur a monetary penalty of up to €20M. Compliance enforcement action. Corruption of data. Reputational damage to Corporation as effective body. Reduce	 Impact	12 Risk at appetite	<p>Following review with A&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&RMC in September 2019, the risk description has been amended to reflect an emphasis on CoL preparedness.</p> <p>04 Dec 2019</p>	 Impact	8 Constant

Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR16k Final stages of	Final stages of completing information security projects which will mean that we can assure Members that the City	Information Security projects are being delivered as planned. The Information Security team recommended to the Audit and Risk Committee that this risk is reduced	Gary Brailsford-	04-Dec-2019	30-Jan-2021

completing IT security projects	of London Corporation has implemented all the national 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>Capital Bid has been made for further IT Security Investment to maintain the level of maturity determined by Members that the organisation requires.</p> <p>This is a dynamic risk area and whilst the maturity of 4 is at the target, the control scores will go down as well as up as threats, risks and vulnerabilities change.</p> <p>To be reviewed at Digital Services Committee in January 2020</p>	Hart		
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Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact) and Risk approach	Current Risk Rating & Score/risk appetite level	Risk Update and date of update	Target Risk Rating & Score	Target Date	Current Risk score change indicator
RG29 Information Management Risk 75	<p>Cause: Lack of officer commitment and investment of the right resources into organisational information management systems and culture.</p> <p>Event: The City Corporation's IM Strategy (2018-2023) is not fully and effectively implemented</p> <p>Effect:</p> <ul style="list-style-type: none"> • Not being able to use relevant information to draw insights and intelligence and support good decision-making • Vulnerability to personal data and other information rights breaches and non-compliance with possible ICO fines or other legal action • Waste of resources storing information beyond usefulness 	 Likelihood Impact	<p>12</p> <p>Risk at 08 Jan 2020</p>	<ul style="list-style-type: none"> • New business intelligence dashboards continue to be developed for improved decision making by the Corporate Strategy and Performance team • An Information Management Awareness campaign starts from 19 February to 12 March. • Work will begin to review relevant staff roles that should have an information management competency added • A paper covering the benefits and proposed implementation of Protective was agreed by Summit in their December meeting • Capital bids submitted for information management investment to support the mitigation of this risk 	 Likelihood Impact	<p>6</p> <p>30-Jun-2020</p> <p>Constant</p>

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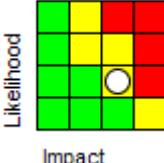
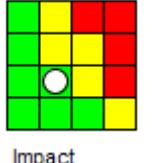
John Barradell			appetite			
	Reduce					

Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR29a IM awareness	Ensure that CoL has the necessary awareness, tools and, skills to manage information effectively	<ul style="list-style-type: none"> Capital proposal prepared for investment in Sharepoint for migration of Shared Drives Launch of protective marking, IM training and communication will be in February/March 2020 - campaign date changed due to a more important corporate communications priority 	Sean Green	08-Jan-2020	31-Mar-2020
CR29b IM Culture Change	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"> Work will begin in December 2019 between HR, IT and the Corporate Strategy and Performance teams to identify the key skills required for good information management. HR can then develop the training to support this. 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. This work will start in January 2020 HR have developed training for the February 2020 launch of IM to CoL Staff <p>Further work to be carried out to develop new IM competencies for all staff Job Descriptions</p>	Chrissie Morgan	08-Jan-2020	31-Mar-2020
CR29e Data retention policy implmentation	Ensure that CoL has the necessary checks, balances and oversight to ensure successful implementation of the IM Strategy	<ul style="list-style-type: none"> The Information Governance groups provides governance and assurance that the strategy is being delivered. IT Division to work with departments to implement retention policies during 2020 	Sean Green	08-Jan-2020	30-Jun-2020
CR29f IM Strategy implementation	Ensure officers can implement the data retention policy and data discovery requirements from GDPR	<ul style="list-style-type: none"> 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. Plan to use readily available MS tools and pilot the move of shared drives to MS Teams Business case for capital investment in automated MS tools has been submitted for funding in 2020. – Protective marking tool to be launched in March 2020 	Sean Green	08-Jan-2020	30-Jun-2020

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Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact) and Risk approach	Current Risk Rating & Score/risk appetite level	Risk Update and date of update	Target Risk Rating & Score	Target Date	Current Risk score change indicator
CR09 Health Safety and Wellbeing Risk (Management System) Page 27 Sep-2014 Chrissie Morgan	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	 Likelihood Impact	8 Risk at appetite	At the Corporate Health Safety and Wellbeing Committee on 25/11/19 the committee discussed the risk scoring based upon number of key factors and agreed in the current risk climate that the score could be reduced to 8 (Extreme * Rare). The committee will keep the score under regular review. Overseas Travel Policy (H&S) Approved by Establishment Committee in December 2019 Deep Dive on CR09 to Audit & Risk Management Committee in Nov 2019 20 Dec 2019	 Likelihood Impact	8 Constant
	Accept					

Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
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 90% progressed.	Sarah Blogg; Nikki Jago; Justin Tyas	20-Dec-2019	31-Mar-2020

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact) and Risk approach	Current Risk Rating & Score/risk appetite level	Risk Update and date of update	Target Risk Rating & Score	Target Date	Current Risk score change indicator		
CR26 Brexit - Organisational Impact	<p>Cause – The outcome of Brexit negotiations does not secure continuity of contracts, access to talent, ongoing grant funding and/or security of supply chains</p> <p>Event – The City Corporation services fail to prepare appropriately for the UK departure from the EU on 31 December, 2020, following the commencement of the transition phase on 31 January, 2020.</p> <p>Effect – 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>	 Likelihood Impact	8	<ul style="list-style-type: none"> Operation Yellowhammer stood down by the Government A review of the various Brexit risks is being undertaken by Summit and a number of changes to scores agreed. The City Corporation has provided information as part regular data submissions to MHCLG via London Councils. Town Clerk attending regular meetings with the GLA, LLAG and London Councils on Brexit Preparedness. Simon Latham has been nominated as the Corporation's point of contact for MHCLG and London Councils briefings and work on this. 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. Summit Group will have a watching brief on this risk throughout 2020 to ensure that CoL services continue to remain prepared following the departure of the UK from the 	 Likelihood Impact	4	31-Dec-2020	■

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11-Oct-2018 John Barradell				European Union at the end of January 2020 and through the transition period which ceases on 31 December 2020	07 Jan 2020				Constant
				Risk at appetite					
	Accept								

Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR26b Summit Group	Progress on all departmental Brexit risks and their mitigations be reported regularly to Summit Group	<ul style="list-style-type: none"> • Town Clerk attending regular meetings with the GLA, LLAG and London Councils on Brexit Preparedness. • A review of the various Brexit risks is being undertaken by Summit Group, and a number of additions to the register and changes to scores are being agreed. 	Simon Latham	07-Jan-2020	31-Dec-2020
CR26c Engagement with third parties	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	06-Jan-2020	31-Dec-2020

Risk Appetite Level Description Risk below appetite

Risk Appetite Level Description: Risk below appetite 1

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact) and Risk approach	Current Risk Rating & Score/ risk appetite level	Risk Update and date of update	Target Risk Rating & Score	Target Date	Current Risk score change indicator	
CR27 Change Management	<p>Cause: 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)</p> <p>Event: poorly managed and ineffective change</p> <p>Effect:</p> <ul style="list-style-type: none"> • Disruption to service, poor performance and damage to reputation • Outcomes not achieved, reduction in benefits (financial and non-financial) • Failure to change or keep up with change, organisational paralysis and reduction in ability to remain relevant • Adverse impacts on external stakeholders including businesses and residents. • Loss of valued staff and / or negative mental health impacts for staff. 	<p>Likelihood</p> <p>Impact</p>	6	<ul style="list-style-type: none"> • Note this risk is under consideration for removal from the corporate risk register in Jan/Feb 2020. Should this occur the Change Management will be included as an action under CR31 Fundamental Review risk. • 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 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. • The L&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&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. 	4	31-Mar-2020	■

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05-Dec-2018 John Barradell			Risk below appetite	• The Policy Team are reviewing the policies and procedures around change and change management. 15 Jan 2020				Constant
	Reduce							

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Corporate risk register - Summary

Report Type: Risks Report

Generated on: 15 January 2020

Rows are sorted by Risk Score

Traffic Light: Red 8 Amber 9

Risk Appetite Level Description Risk above appetite

Traffic Light: Red 8 Amber 2

Risk code	Risk title	Risk Category Description	Approach	Current Risk Score	Current Risk Score Indicator	Trend Icon	Flight path
CR20	Road Safety	Health and Safety	Reduce	24	🔴	➡️	
CR24	Operational Security	Physical	Reduce	24	🔴	➡️	
CR28	Action Fraud	Partnership/Contractual	Reduce	24	🔴	➡️	
CR30	Climate Action	Environmental	Reduce	24	🔴	➡️	
CR31	Fundamental review delivery	Financial	Reduce	24	🔴	➡️	
CR32	Wanstead Park Reservoirs (formerly OSD 013)	Health and Safety	Reduce	24	🔴	➡️	
CR17	Safeguarding	Safeguarding	Reduce	16	🟡	➡️	

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Risk code	Risk title	Risk Category Description	Approach	Current Risk Score	Current Risk Score Indicator	Trend Icon	Flight path
CR23	Police Funding	Financial	Reduce	16			
CR01	Resilience Risk	Physical	Accept	12			
CR21	Air Quality	Environmental	Reduce	12			

Risk Appetite Level Description Risk at appetite

Traffic Light: Amber 6

Risk code	Risk title	Risk Category Description	Approach	Current Risk Score	Current Risk Score Indicator	Trend Icon	Flight path
CR02	Loss of Business Support for the City	Economic	Reduce	12			
CR10	Adverse Political Developments	Political	Accept	12			
CR16	Information Security (formerly CHB IT 030)	Technological	Reduce	12			
CR29	Information Management	Technological	Reduce	12			
CR09	Health Safety and Wellbeing Risk (Management System)	Health and Safety	Accept	8			
CR26	Brexit – Organisational Impact	Brexit	Accept	8			

Risk Appetite Level Description Risk below appetite

Traffic Light: Amber 1

Risk code	Risk title	Risk Category Description	Approach	Current Risk Score	Current Risk Score Indicator	Trend Icon	Flight path
CR27	Change Management	Compliance and regulatory	Reduce	6			<hr/>

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Top Red departmental risk register – summary report

Report Type: Risks Report

Report Author: Paul Dudley

Generated on: 08 January 2020



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	<div style="width: 0%; height: 10px; background-color: lightblue;"></div>
BBC Buildgs 006 Ex Halls Electrical Condition	Jonathon Poyner	Likely	Major	16	Possible	Major	12	31-Dec-2022	<div style="width: 0%; height: 10px; background-color: lightblue;"></div>
BBC Buildgs 007 High Risk Hazardous Work Areas	Jonathon Poyner	Likely	Major	16	Unlikely	Major	8	31-Dec-2021	<div style="width: 0%; height: 10px; background-color: lightblue;"></div>
BBC Commerc 003 Brexit Impact of Brexit on the Movement of Talent, Technical and	Nicholas Kenyon	Likely	Major	16	Possible	Major	12	31-Mar-2020	<div style="width: 100%; height: 10px; background-color: #4f81bd;"></div>

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Risk Code & Title	Ownership Managed By	Current Likelihood	Current Impact	Current Risk Score	Target Likelihood	Target Impact	Target Risk Score	Target Date	Flight path
Production Staff and Temporary Movement of Cultural Goods									
BBC Finance 001 Financial Targets Not Achieved, Including Income and Expenditure Volatility	Sandeep Dwesar	Likely	Major	16	Unlikely	Major	8	30-Apr-2020	
BBC Finance 003 Funding Cuts	Sandeep Dwesar	Likely	Major	16	Possible	Major	12	30-Apr-2020	
BBC H&S 005 Failure to Deliver the Fire-related Projects	Jonathon Poyner	Unlikely	Extreme	16	Rare	Serious	2	31-Dec-2021	
CHB IT 001 Resilience of power and infrastructure.	Sean Green	Likely	Major	16	Unlikely	Minor	2	30-Jun-2020	
DBE-TP-01 Road Traffic Collision caused by City of London staff or contractor who is unfit to drive while on City business	Vince Dignam	Unlikely	Extreme	16	Rare	Extreme	8	31-Dec-2020	
DCCS ED 001 Failure to deliver City of London Academy expansion programme	Gerald Mehrtens	Likely	Major	16	Unlikely	Serious	4	31-Dec-2020	

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Risk Code & Title	Ownership Managed By	Current Likelihood	Current Impact	Current Risk Score	Target Likelihood	Target Impact	Target Risk Score	Target Date	Flight path
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	30-Sep-2020	
MAN CCC 002 Working at Height	Vic Annells	Unlikely	Extreme	16	Unlikely	Major	8	31-Mar-2020	
OSD 004 Repair and Maintenance of Buildings and Structural Assets summary risk	Colin Buttery; Sue Ireland	Unlikely	Extreme	16	Unlikely	Major	8	31-Mar-2020	
OSD 005 Pests and Diseases summary risk	Colin Buttery; Sue Ireland	Likely	Major	16	Possible	Major	12	30-Apr-2020	
OSD 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	

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Risk Code & Title	Ownership Managed By	Current Likelihood	Current Impact	Current Risk Score	Target Likelihood	Target Impact	Target Risk Score	Target Date	Flight path
SUR CB 007 City Bridges: – Tunnelling for the Thames Tideway Tunnel	Paul Wilkinson	Likely	Major	16	Likely	Major	16	31-Mar-2021	_____



City of London Corporation

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

FINAL VERSION – JANUARY 2020

Summit Group Approved: 19 December 2019

Endorsed by Audit and Risk Management Committee: (Insert date)

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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 Corporation’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, act to manage them and review progress.

2.0 The Policy Statement

- 2.1 The City Corporation recognises and accepts its legal responsibility¹ 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.²

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

¹ Accounts and Audit Regulations 2015 (as amended)

² The City of London Police have adopted their own risk management policy statement.

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:

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 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 Committees, senior management 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. See Appendix 2 for the characteristics of a corporate risk;

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.

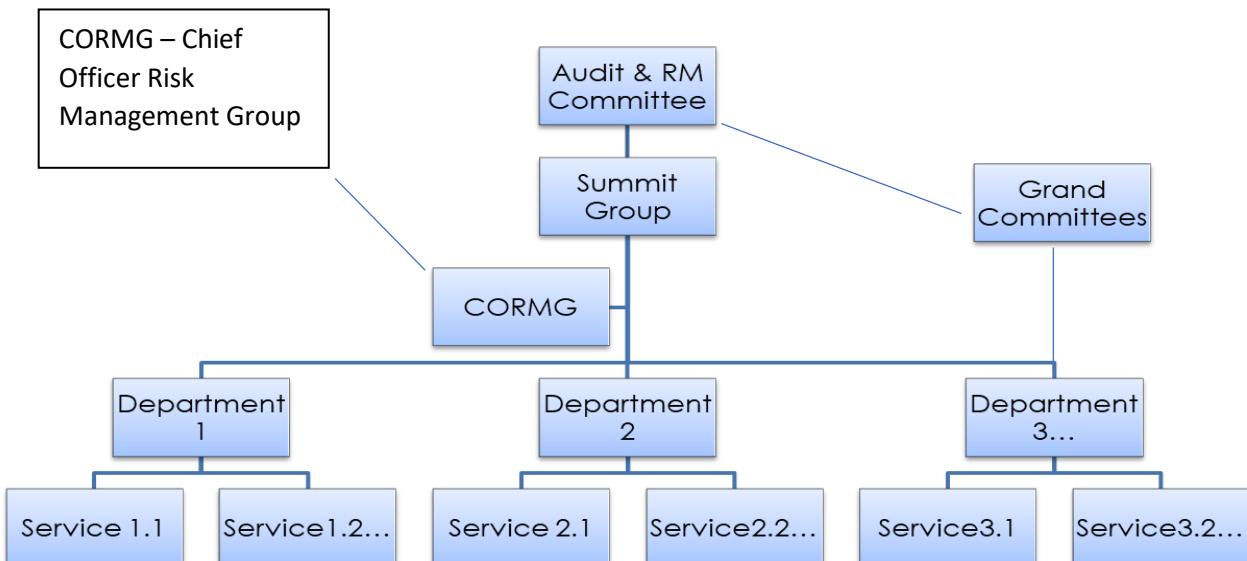
Programme/Project - their impact is limited to the programme/project's outcomes, budget, or timescales.

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.



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 Committee³ at least quarterly (although for schools may 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) working on behalf of the Summit Group, to review all corporate risks as well as make recommendations for new corporate risks

³ CoL Reporting risk information to Grand Committees

received from Chief Officers. CORMG will apply criteria to assess the suitability of a risk to be approved as a corporate risk.

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

The Chief Officer is responsible for 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 to 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 or need 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 out 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 (se 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.

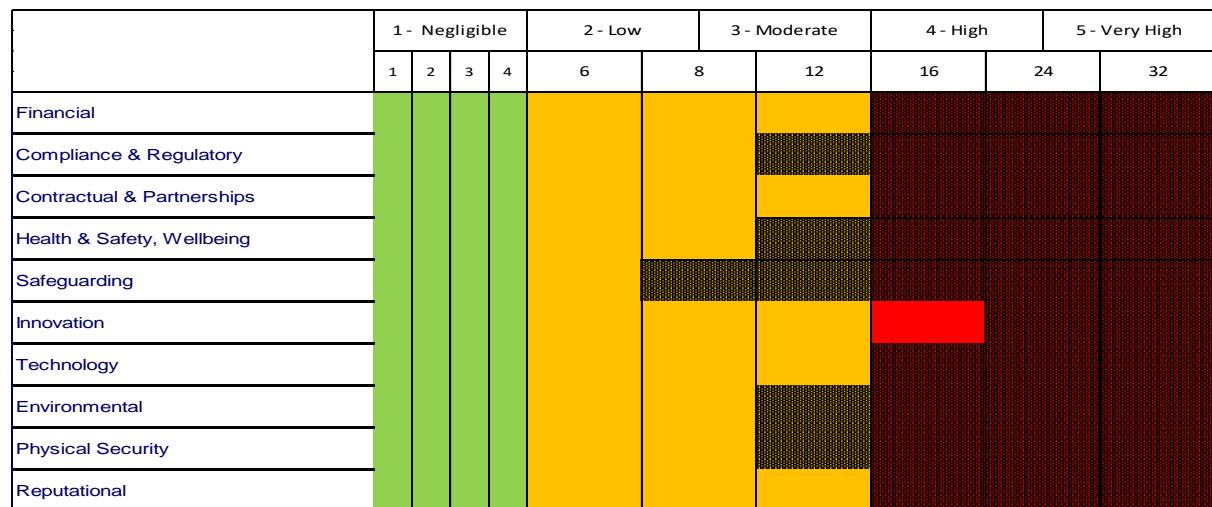
6.Risk appetite

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 considered and well 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 is 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 these 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.



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.

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 (see para 5 above).

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 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

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 ColNet 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 risk⁴;

“The effect of uncertainty on objectives”

⁴ 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 Corporate'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 definition⁵:

"coordinated activities to direct and control an 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

⁵ 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 3).

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 to 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.
- Stakeholder Analysis - a method of identifying the key stakeholders and

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.

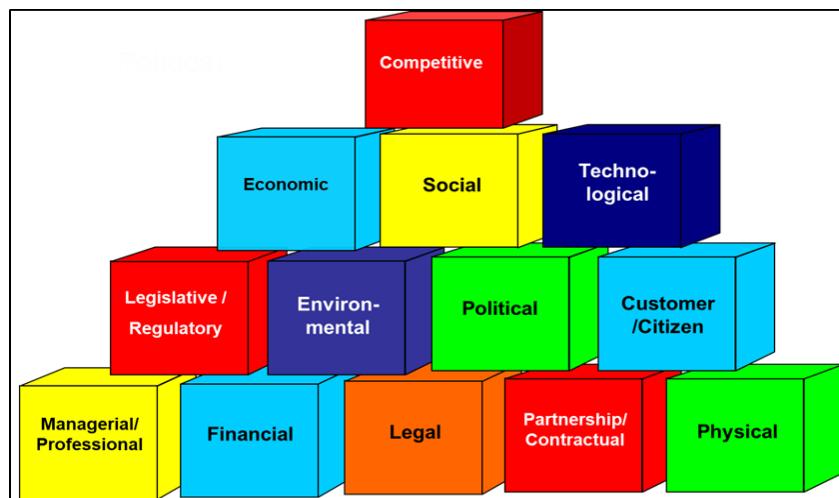


Fig 2 – Example risk prompt list

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 the possible to determine a ranking by risk score of the identified risks. The more important the risk, the more management action will be required.

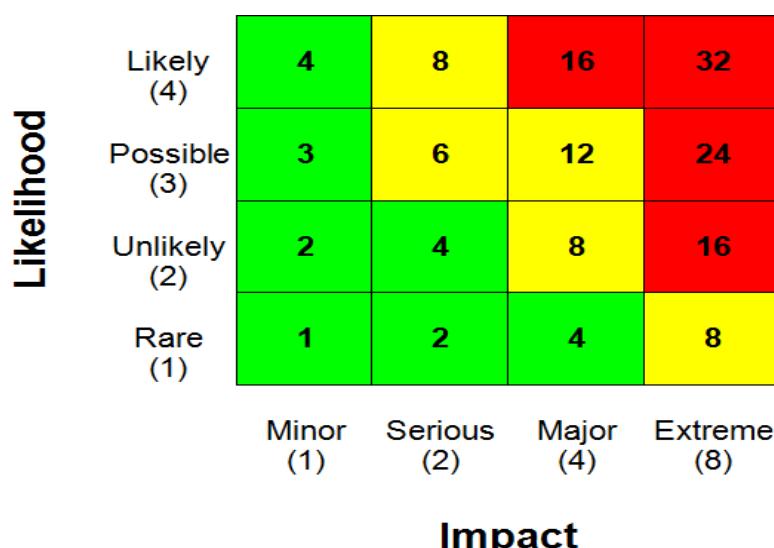


Fig 3 – The City Corporation’s risk matrix

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:

Accept:	Transfer:
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	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

Corporation risk appetite the risk may be manageable.	service there may be a reputational impact on the City Corporation.
Avoid: 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.	Reduce: 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 Committees¹.

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 3)

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 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 that the organisation wishes to reduce the risk to (i.e. target risk score) after the completion of all related 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.

Appendix 2

Characteristics of a corporate risks

The Chief Officer Risk Management Group will assess potential new risks, using the following characteristics of a corporate risk, before determining whether to recommend to Summit Group that a risk should be added to the corporate risk register.

A corporate risk is likely to have one or more of the following characteristics:

- strategic and cross-cutting, with the potential to impact on a range of different areas or statutory functions.
- related to the organisation's ability to successfully deliver one or more high priority corporate objectives/outcomes (there needs to be a significant link to the outcome at risk);
- affects the outcomes sought from one of the organisation's major programmes.
- operates over the medium or long-term; (note –occasionally short-term risks may be added where there is demonstrable business case)
- has the potential to seriously impact upon the organisation's capacity, for example by limiting, reducing or failing to maximise financial, physical assets or human resources.
- linked to the organisation's ability to successfully deliver transformational change and major initiatives, while continuing with business as usual.
- concerned with the wellbeing of the residents, businesses, the public and staff.
- may impact significantly and broadly on the organisation's reputation.
- The speed of the impact(s) if the risk occurred on the organisation.

Characteristics approved by Summit Group 19 December 2019

APPENDIX 3



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

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

(A) Likelihood criteria

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

(B) Impact criteria

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

(C) Risk scoring grid

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

(D) Risk score definitions

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

Contact the Corporate Risk Manager for further information. Ext 1297

Version date: December 2015

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Agenda Item 11

Committee	Dated:
Audit and Risk Management Port Health and Environmental Services Planning and Transportation	28 January 2020 3 March 2020 6 March 2020
Subject:	Public
Report of: Director of Markets and Consumer Protection	For Information
Report author: Ruth Calderwood Air Quality Manager, Markets and Consumer Protection Dept.	

Summary

Air quality is currently an amber corporate risk, with a risk score of 12. It was initially designated a red corporate risk; however, the risk has been reduced. This is due to ongoing improvements in air quality together with the wide range of action that has been, and continues to be, taken by the City Corporation to mitigate the risk. The risk reflects the potential impact on the health of residents, workers and visitors to the Square Mile. It also reflects the potential reputational and financial risk to the City of London Corporation. The target is to achieve a risk score of 6.

Extensive air quality monitoring across the Square Mile demonstrates that air quality is improving, although there is still some way to go before it meets health-based limits and guidelines at all locations. There was a marked improvement in roadside concentrations of nitrogen dioxide (a product of combustion) in 2019, when compared to the previous year. This was largely due to the roll out of the new electric taxi for London, electric single deck buses, and the introduction of the Mayor of London's ultra-low emission zone. The implementation of the City Corporation's new Transport Strategy will deliver further improvements in roadside air quality over the next few years.

The City Corporation published its third Air Quality Strategy in 2019 outlining the wide range of action being taken to improve air quality. The five-year strategy was very well received. The Greater London Authority, who oversees the City Corporation's statutory air quality function, consider it to be an '*excellent plan, with a very thorough and engaging narrative and a comprehensive range of detailed, specific and ambitious actions..... an excellent plan which once again demonstrates your leadership in this field*'. Clean Air London (CAL), a campaign organisation said '*CAL considers that the CoL is doing more than any Borough in Greater London to improve air quality*'

The City Corporation has developed proposals for an Emission Reduction (Local Authorities in London) Bill. The Bill, which has the support of London Councils, proposes adoptive powers for all London local authorities to reduce emissions of pollutants from a wide range of combustion plant used for heating and electricity

generation. The Bill was introduced to the House of Lords as a Private Member's Bill by Lord Tope on Monday 13th January 2020.

The Government has also published an Environment Bill which includes proposals for new air quality targets. This will eventually replace the current air quality targets which are based on European Union obligations. Proposals in the Bill also include passing more responsibility for improving air quality to local government. Depending on the targets to be achieved, this renewed responsibility could pose a challenge for the City Corporation due to its size and location. Much of the pollution within the Square Mile is not generated within its boundary.

Ongoing research into poor air quality has led to it being linked to an increasing range of diseases. Towards the end of 2020, there will be a new inquest into the death of a London child who died from acute respiratory failure and asthma. The inquest will take place to ascertain if exposure to outdoor air pollution was a causative factor in the child's death. If this is proven, it will be the first time that air pollution is explicitly linked to a named individual's death. This would have the potential to open the door for legal action against bodies deemed responsible.

The City Corporation is exceeding its current statutory duty to improve air quality and is widely regarded as demonstrating leadership in this area. With the forthcoming potential changes in air quality targets and statutory obligations, in addition to the ongoing research into the health impacts of air pollution and the new inquest cited above, the City Corporation needs to remain agile and proactive in its approach. The Corporation must continue to deliver a high-quality programme that will serve to minimise the risk of air pollution to public health.

Recommendation

Members are asked to note the report.

Main Report

Background

1. Being located at the heart of London, the Square Mile experiences some of the highest levels of air pollution in the country. Local air pollution is affected by emissions of pollutants from both within the Square Mile, and beyond its boundary. It is also affected by the size, shape and proximity of buildings, which can act to trap pollution, and the weather.
2. Air quality is currently an amber corporate risk with a risk score of 12, see Appendix 1. It was initially designated a red corporate risk, but the risk has been reduced due to ongoing improvements in air quality and the wide range of action being taken by the City Corporation to further mitigate the risk. The risk reflects the potential impact on the health of residents, workers and visitors to the Square Mile. It also reflects the potential reputational and financial risk to the City of London Corporation as an organisation. The target is a risk score of 6.

3. The impact of air pollution on health is both acute and chronic. Research into the health impacts is ongoing and it is being linked to an increasingly wide range of diseases. The main health impact is cardiovascular and cardiopulmonary disease, lung cancer and respiratory disease. It also affects lung development in children. Short term pollution episodes can lead to an increase in hospital admissions for vulnerable people. Exposure to current levels of air pollution in central London over the long term has been shown to reduce life expectancy across the whole population.
4. Responsibility for improving air quality lies with local, regional and national government. To date, the statutory responsibility of local government in London has been to assist the Government and the Mayor of London with action to ensure that levels of air pollution are lower than limits set in European Union (EU) Directives. Air quality in the UK meets the EU air quality limits for all pollutants except nitrogen dioxide (NO_2). NO_2 is a colourless and odourless gas that is a product of combustion.
5. Fine particles (PM_{10} and $\text{PM}_{2.5}$) are composed of a wide range of material. They are not visible to the naked eye. Levels of PM_{10} and $\text{PM}_{2.5}$ in the Square Mile meet current EU limits, though they are higher than World Health Organisation (WHO) Guidelines. Table 1 shows the difference between EU limits and WHO guidelines for nitrogen dioxide and fine particles. WHO air quality guidelines are currently being reviewed. The outcome of the review should be available in 2020/2021 and is likely to influence domestic air quality targets.
6. The current responsibility for controlling levels of $\text{PM}_{2.5}$ lies with national, not local, government. This is because it is classed as a 'regional pollutant' over which local authorities have very little control. Particulate matter can stay in the air for a very long time and move around with the wind. Local authorities have a statutory obligation under the Health and Social Care Act 2012 to improve the health of their population. One of the indicators used to assess performance with obligations under this legislation is exposure of the population to $\text{PM}_{2.5}$ particle pollution.
7. The United Kingdom is in the process of leaving the European Union. At the time of writing this report, it is likely that the UK's air quality obligations under EU law will continue until the end of December 2020.
8. In October 2019, the Government introduced an Environment Bill. The Bill, which fell as the previous parliament was dissolved, should be reintroduced to parliament in 2020. It sets out a requirement for a legally binding domestic target for air quality, with an additional specific target for $\text{PM}_{2.5}$. The new targets are likely to replace the existing targets set under EU law.
9. The Environment Bill outlines proposals to amend the Local Air Quality Management framework. The framework defines the statutory obligations of local authorities. The outcome would be to delegate more responsibility for improving air quality down to a local level. Passing the duty to achieve the target for $\text{PM}_{2.5}$ to local government could pose a challenge for the City Corporation due to the

limited local control over this pollutant. The Bill also proposes to amend aspects of the Clean Air Act 1993 to enable quicker, simpler and more proportionate enforcement of Smoke Control Areas. It does not include proposals for additional powers for local authorities to deal with the full range of combustion plant found in urban areas that are used to generate heat or electricity. The City Corporation hopes to address this through the Emission Reduction (Local Authorities in London) Private Members Bill, see paragraph 28.

10. Towards the end of 2020, there will be a new inquest into the death of a London child, who died from acute respiratory failure and asthma. The inquest will take place to ascertain if exposure to outdoor air pollution was a causative factor in the child's death. If this is proven, it will be the first time that air pollution is explicitly linked to a named individual's death. This would have the potential to open the door for legal action against bodies deemed responsible.
11. The health impact of air pollution continues to receive very wide media coverage. This coverage has led to a greater understanding of the issues by the public, and an increase in the expectation of robust action by accountable bodies. There has also been an increased demand for data. This has been addressed by the City Corporation with additional resources. There is now a small air quality team delivering the City Corporation's air quality programme in the Department of Markets and Consumer Protection. Extensive air quality monitoring also takes place across the Square Mile to fulfil the demand for additional data.
12. Improving air quality is a key priority for the City Corporation and officers are called upon to provide expertise and leadership on air quality across London and on a national basis. The City Corporation is recognised as the lead local authority for air quality policy across London.

Risk mitigation

13. In order to reduce the risk associated with poor air quality in the Square Mile, the City Corporation needs to demonstrate that, at a minimum, it is fulfilling its statutory obligation and that it has taken, and will continue to take, a wide range of action to bring about improvements to air quality. The City Corporation must also ensure that it takes necessary steps to protect the health of residents, workers and visitors to the City through the provision of appropriate information and robust and reliable data.

Air Quality Strategy

14. As levels of pollution do not meet health-based limits in the Square Mile, the City Corporation has a statutory obligation to produce an Air Quality Action Plan. The Plan must outline action that will be taken to both improve air quality, and to help people reduce their exposure to the highest levels of air pollution.
15. The City Corporation's Action Plan has been incorporated into an Air Quality Strategy. The latest Air Quality Strategy was published in September 2019. The aims of the strategy are to:

- a. fulfil statutory obligations for London Local Air Quality Management and improving public health
- b. ensure that air quality in over 90% of the Square Mile meets the health-based Limit Values and World Health Organisation Guidelines for nitrogen dioxide by the beginning of 2025
- c. support the Mayor of London to meet World Health Organisation Guidelines for particulate matter (PM_{10} and $PM_{2.5}$) by 2030

16. The above aims will deliver three main outcomes:

- a. the Square Mile has clean air
- b. people enjoy good health, through reduced exposure to poor air quality
- c. the City Corporation is a leader for air quality policy and action and inspires collaboration across London

17. The outcomes will be achieved by action across 6 policy areas:

- a. air quality monitoring
- b. leading by example
- c. collaborating with others
- d. reducing emissions from transport
- e. reducing emissions from non-transport sources
- f. raising awareness.

18. There are 65 actions associated with these policy areas, with detail on how they will be taken forward, timelines, departmental responsibility and relative costs.

19. The Greater London Authority, which oversees the Corporation's statutory air quality function, said that the Air Quality Strategy is an '*excellent plan, with a very thorough and engaging narrative and a comprehensive range of detailed, specific and ambitious actions..... Congratulations on an excellent plan which once again demonstrates your leadership in this field*'. Clean Air London (CAL), a campaign organisation said '*CAL considers that the CoL is doing more than any Borough in Greater London to improve air quality*'

20. Progress with actions, together with the most recent air quality data, is reported to the Mayor of London and government each year. These are statutory reports that are presented to the Port Health & Environmental Services Committee. The latest report was presented on 24th September 2019. A summary report, which includes seven years data, is attached to this report as Appendix 2.

21. The Air Quality Strategy 2019 demonstrates the strong cross departmental support for improving air quality and reducing the impact on public health. Air quality has been firmly embedded into the City Corporation Corporate Plan 2018 - 2023, Transport Strategy, Responsible Business Strategy, Responsible Procurement Strategy and draft City Plan.

22. Paragraphs 23 through to 37 outline some of the actions underway to improve air quality. Further detail can be found in the Air Quality Strategy 2019.

Air Quality Monitoring

23. The City Corporation runs an extensive network of air quality monitors. Monitoring takes place to:
- check compliance against air quality objectives, guidelines and limit values, and consequently the impact on health
 - assess long term trends and the effectiveness of policies and interventions to improve air quality
 - raise awareness and provide alerts to the public when air pollution levels are high
24. The amount of air pollution in the City of London at any given time is influenced by a range of factors. The main factor affecting day to day levels of air pollution is the weather. Traffic diversions and road closures can also have a significant impact on air pollution locally.
25. To see whether air quality is improving over time, annual average data taken from long-term monitoring stations is assessed. There has been a clear pattern of improvement over the past few years, with a notable reduction in concentrations in 2019 compared to the previous year, see Table 1.
26. In addition to the ongoing package of measures being implemented by the City Corporation through its Air Quality Strategy, this marked improvement in 2019 is due to vehicle emissions becoming cleaner, the introduction of the Mayor of London's ultra-low emission zone in April 2019 and the increasing number of electric buses and taxis that now drive around City streets. The higher than average rainfall during autumn 2019 contributed to the lower levels of PM₁₀ and PM_{2.5} at all sites.

Location	Pollutant	EU Limit value	WHO Guideline	Annual average 2018 (µg/m³)	Annual average 2019* (µg/m³)
Sir John Cass Foundation Primary School (background)	Nitrogen dioxide	40	40	32	32
	PM ₁₀	40	20	21	19
	PM _{2.5}	25	10	12	11
Upper Thames Street (roadside)	Nitrogen dioxide	40	40	87	71
	PM ₁₀	40	20	32	28
Beech Street (roadside)	Nitrogen dioxide	40	40	69	61
	PM ₁₀	40	20	25	22
Farringdon Street (roadside)	PM _{2.5}	25	10	16	14

Table 1

*Data for 2019 is provisional

27. Improving air quality is a political priority, for which there is very strong Member interest and support. The City Corporation is taking a wide range of steps to reduce emissions of air pollution from its own fleet, buildings and activities. This is largely undertaken through robust responsible procurement practices. Recent examples include electric refuse collection vehicles in the latest refuse collection contract and the three new electric vehicles purchased for the Lord Mayor in summer 2019.
28. The City Corporation has also demonstrated leadership in this area with proposals for an Emission Reduction (Local Authorities in London) Bill. The Bill includes new adoptive powers for London local authorities to control emissions from combustion plant: boilers, generators, combined heat and power plant and equipment used on construction sites. These powers are lacking at present. The Bill, which is supported by London Councils, was introduced to the House of Lords on Monday 13th January 2020 by Lord Tope, Co-President of London Councils.

Collaboration

29. The City Corporation collaborates with a very wide range of organisations on actions to improve air quality. Current activity includes:
- a. Hosting best practice events for all London Boroughs
 - b. Working with a range of partners to trial retrofit technology to reduce emissions of air pollutants from the Thames river vessels
 - c. Working with City businesses to encourage emission reduction from their activities
 - d. Jointly leading a London Borough wide idling engine programme with the London Borough of Camden, supported by the Mayor of London
 - e. Working with research bodies to assess the impact of urban form on air pollution
 - f. Working with City schools and nurseries to develop tailored action plans to improve local air quality. In 2018 the City Corporation won a national air quality award for collaborative action at Sir John Cass's Foundation Primary School which delivered a significant improvement in local air quality.

Reducing Emissions from Transport

30. The highest levels of air pollution in the Square Mile tend to be found along the busiest roads. This is particularly the case if the road is narrow with tall buildings either side as pollution can become trapped.
31. The City Corporation published its first Transport Strategy in 2019. It contains proposals to reduce emissions of pollutants from road transport as well as actions to reduce the exposure of pedestrians to existing levels of pollution. These measures have been incorporated into the Air Quality Strategy

32. Actions include ambitious targets for traffic reduction, zero emission zones by 2020, increased electric vehicle charging infrastructure and the increase in the number of pedestrianised and pedestrian priority streets. Approval has recently been given for a zero-emission transport scheme in Beech Street. As the street is covered, it will lead to significant improvements in air pollution and be of direct health benefit to the many pedestrians and cyclists that use the street.

Reducing Emissions from Non-Transport Sources

33. Non transport sources make a significant contribution to air pollution in the City of London. The main source is combustion plant used for generating electricity and for heating. It includes boilers, combined heat and power plant, mobile and static generators and machinery used on construction sites. Air pollution is also generated by cooking in restaurants.

34. The main mechanisms used by the City Corporation for controlling air pollution from non-traffic sources are planning policy, management of construction activity, chimney height approvals under the Clean Air Act 1993 and promoting best practice with City businesses and food premises.

35. Increased air quality monitoring has revealed localised high levels of air pollution in the Square Mile that are not associated with traffic. One example is high levels of nitrogen dioxide associated with energy plant at St Bartholomew's Hospital. Officers are working with Barts Health NHS Trust to reduce emissions of air pollution from the energy centre. The City Corporation's Bill would provide much needed powers to ensure that clean equipment and plant is used and installed in the Square Mile.

Raising Awareness

36. Although air quality is improving, it remains at a level that can have a detrimental impact on health. A wide range of action is therefore taken to increase public understanding about air pollution, its causes, effects and how concentrations vary both spatially and over time. Armed with the right information, people can take steps to avoid high levels of air pollution and reduce the impact on their health.

37. The City Corporation runs and attends air quality events, produces a bimonthly e-newsletter and has developed a free smart phone application (App), used by over 30,000 Londoners. The App provides high pollution alerts and helps users avoid areas of poor air quality.

Risks and challenges

38. There are some issues that make air quality improvements challenging in the Square Mile. Action is underway to try and address them, but some are outside of the control of the City Corporation.

- a. There are on-going uncertainties around emissions from diesel vehicles. Emissions from the newest (Euro VI) heavy goods vehicles are low, but emissions from vans and cars still don't meet the required limits. This is being dealt with at a European level. Currently, there are only a small number of alternatives to diesel vans available on the market. This makes it challenging to introduce policies to restrict these vehicles. However, over the next few years the availability of zero emission vans is expected to increase.
- b. Due to its location, the Square Mile is heavily influenced by pollution generated across London. This is dealt with by the collaborative, London wide approach taken by officers in finding solutions.
- c. The drive for decentralised energy is bringing electricity generation back into the centre of London, with the associated pollution. Combined heat and power plant are being installed in new developments. This plant emits much higher levels of oxides of nitrogen (NOx) than gas boilers and can result in very high localised levels of nitrogen dioxide. The City Corporation proposes to address this through the Emission Reduction (Local Authorities in London) Private Member's Bill
- d. Organisations with large back-up generators are being asked to run them in times of peak energy demand in a process known as Short Term Operating Reserve (STOR). The generators are diesel fuelled and tend to be only designed for emergency use. The City Corporation proposes to address this through its Bill.

Corporate & Strategic Implications

39. The work on air quality supports two Corporate Plan outcomes:

People enjoy good health and wellbeing'
'We have clean air, land and water.....'

40. Improving air quality is overseen by the Port Health and Environmental Services Committee and is a priority for the Health and Wellbeing Board. It is also of interest to the Planning and Transportation and Streets and Walkways Committees.

41. Since the 2018 deep dive report to the Audit and Risk Management Committee, improving air quality has been further embedded into key policy areas across the organisation. It has very strong cross departmental support in recognition of the issue being a corporate risk.

Conclusion

42. Air quality is currently an amber corporate risk with a risk score of 12. It was initially designated a red corporate risk; however, the risk has been reduced. This is due to ongoing improvements in air quality, together with the wide range of action that has been, and continues to be, taken by the City Corporation to further mitigate the risk. The target is a risk score of 6.

43. Although air quality in the City of London is improving, there is still some way to go before it meets health-based limits and guidelines at all locations. The ongoing improvement in air quality will continue over the next few years as a result of the wide range of action being taken by the City Corporation, supported by action taken by the Mayor of London and London Boroughs.

44. The City Corporation is exceeding its current statutory duty to improve air quality and is widely regarded as demonstrating leadership in this area. With the forthcoming potential changes in air quality targets and statutory obligations, in addition to the ongoing research into the health impacts of air pollution and the new inquest into the death of a child who died from acute respiratory failure, the City Corporation needs to remain agile and proactive in its approach. The City Corporation must continue to deliver a high-quality programme that will serve to minimise the risk of air pollution to public health.

Appendices

- Appendix 1 – Risk and Progress Summary for CR21: Air Quality
- Appendix 2 – Air Quality Annual Status Summary Report for 2018

Background Papers –

- Deep Dive Reports to Audit and Risk Management Committee on Air Quality
14 June 2016 and 6 November 2018
- City of London Air Quality Strategy 2019 – 2025
- City of London Annual Status Report 2019
- Emission Reduction (Local Authorities in London) Bill

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Appendix 1

MCP Corporate and departmental risk history

Generated on: 17 December 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																				
P21 Page 133	Air Quality	07-Oct-2015	Corporate	Environmental	<div style="display: flex; align-items: center;"> Likelihood <table border="1" style="border-collapse: collapse; text-align: center;"> <tr><td>Low</td><td>Medium-Low</td><td>Medium-High</td><td>High</td></tr> <tr><td>Low</td><td>Medium-Low</td><td>Medium-High</td><td>High</td></tr> <tr><td>Medium-Low</td><td>Medium-High</td><td>High</td><td>Very High</td></tr> <tr><td>Medium-High</td><td>High</td><td>Very High</td><td>Extremely High</td></tr> <tr><td>High</td><td>Very High</td><td>Extremely High</td><td>Extremely Extreme</td></tr> </table> Impact </div>	Low	Medium-Low	Medium-High	High	Low	Medium-Low	Medium-High	High	Medium-Low	Medium-High	High	Very High	Medium-High	High	Very High	Extremely High	High	Very High	Extremely High	Extremely Extreme	12		6	17-Dec-2019	12		Possible	Major	
Low	Medium-Low	Medium-High	High																															
Low	Medium-Low	Medium-High	High																															
Medium-Low	Medium-High	High	Very High																															
Medium-High	High	Very High	Extremely High																															
High	Very High	Extremely High	Extremely Extreme																															
05-Dec-2019	12		Possible	Major																														
19-Nov-2019	12		Possible	Major																														
11-Oct-2019	12		Possible	Major																														
05-Sep-2019	12		Possible	Major																														

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Appendix 2

Air Quality Annual Status Summary Report for 2018

1. Air Quality Monitoring

Nitrogen Dioxide (NO₂)

NO₂ is measured at three locations using continuous (or automatic) analysers: Sir John Cass's Foundation Primary School, Beech Street and Upper Thames Street. In 2018, it was also measured at a further 79 locations using low-cost diffusion tubes.

NO₂ levels have been reducing across the City, particularly at background locations. In Beech Street, NO₂ concentrations reduced by 11 µgm⁻³ over the past year, this is partly due to the introduction of electric single deck buses and the new electric taxis for London. At Sir John Cass's Foundation Primary School, the 2018 annual average NO₂ reduced to 32 µgm⁻³. Due to the impact of traffic on pollution levels, concentrations adjacent to busy roads are more variable and remain above the annual EU limit of 40 µgm⁻³.

PM₁₀

PM₁₀ is measured at three locations using continuous (automatic) analysers: Sir John Cass's Foundation Primary School, Beech Street and Upper Thames Street. In 2018 levels of PM₁₀ showed no significant change compared to 2017. All sites are below the annual and daily EU limit values but above World Health Organisation Guidelines.

PM_{2.5}

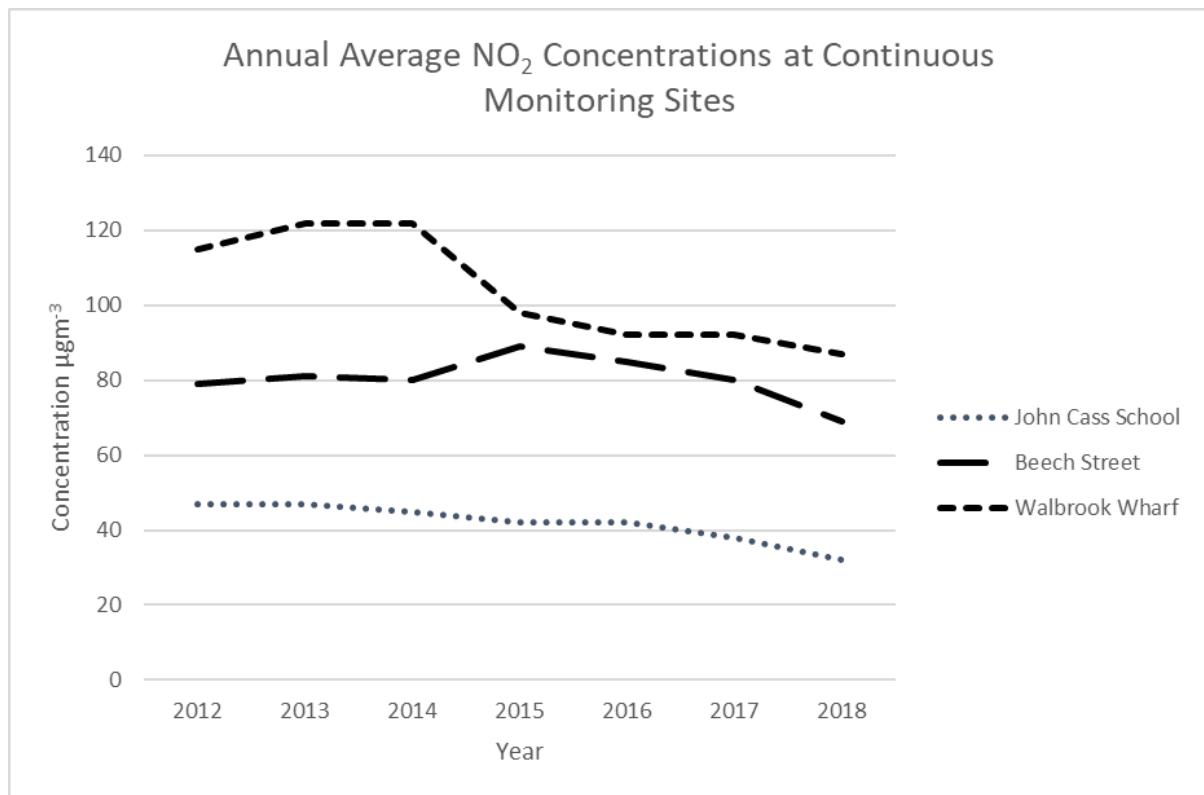
PM_{2.5} is measured at two locations, Farringdon Street and Sir John Cass's Foundation Primary School, using continuous (automatic) analysers. Concentrations are similar at both sites as it is a regional pollutant and strongly influenced by weather conditions. Both sites are below the annual and daily EU limit value but above World Health Organisation Guidelines.

2. Nitrogen Dioxide Data

EU Limit Value and World Health Organisation Guideline is 40 µg m⁻³

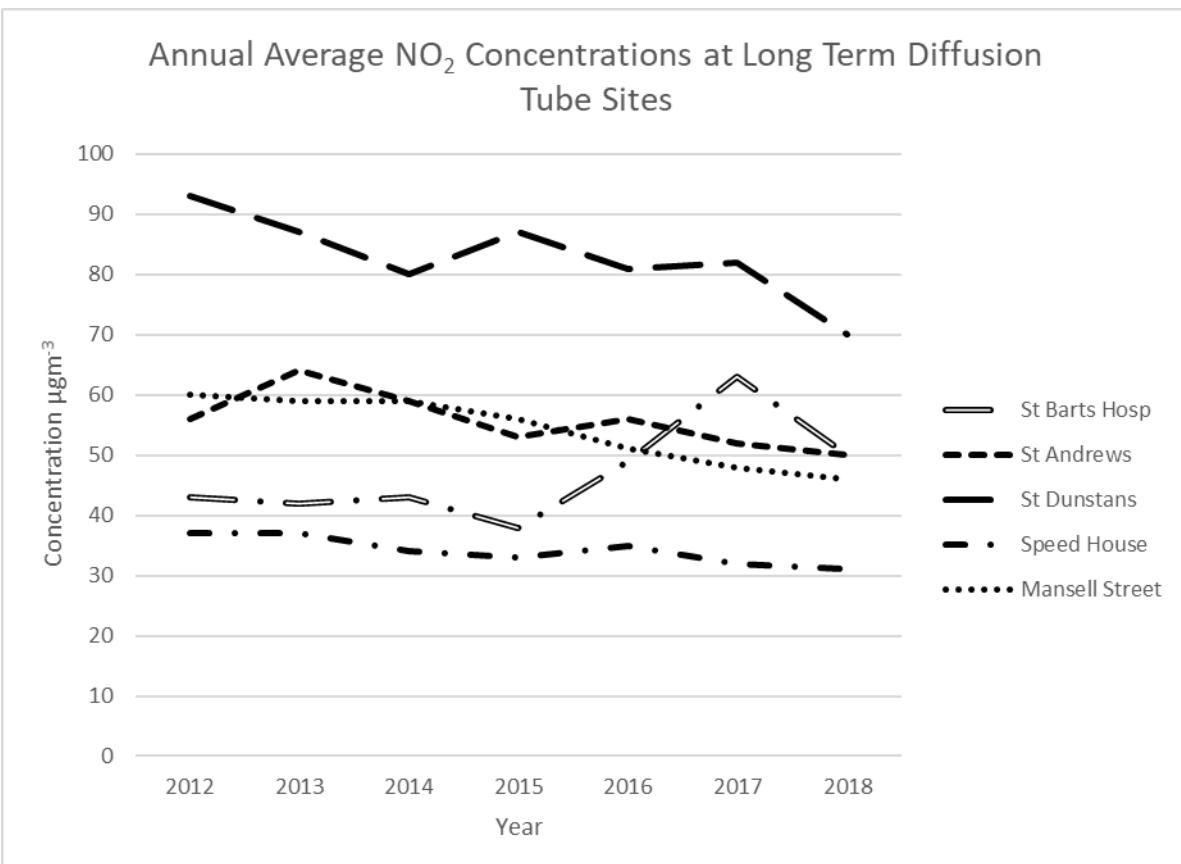
Long term continuous analysers

Site	Site type	Annual Mean (µgm ⁻³)						
		2012	2013	2014	2015	2016	2017	2018
John Cass's Foundation Primary School	Urban Background	47	47	45	42	42	38	32
Beech St	Roadside	79	81	80	89	85	80	69
Walbrook Wharf	Roadside	115	122	122	98	92	92	87



Long term diffusion tube sites

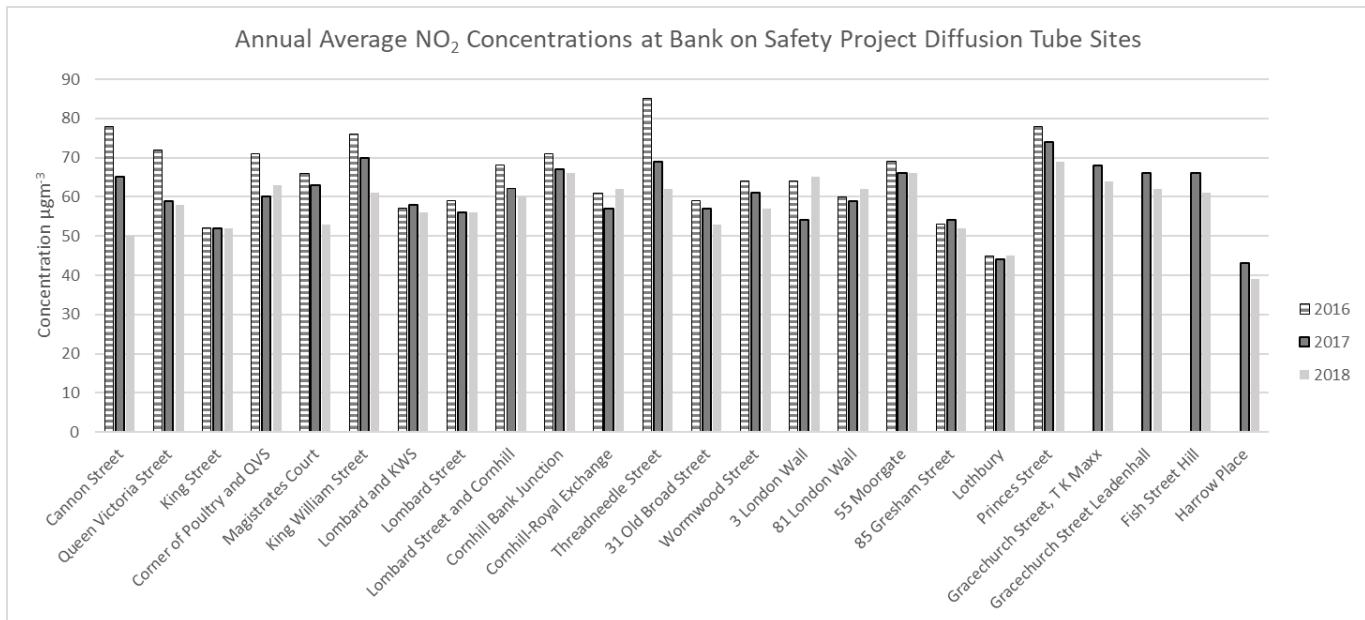
Site	Site type	Annual Mean (μg m⁻³)						
		2012	2013	2014	2015	2016	2017	2018
St Bartholomew's Hospital Courtyard	Urban Background	43	42	43	38	49	63	50
St. Andrew's Church, Queen Victoria St	Roadside	56	64	59	53	56	52	50
Fleet Street	Roadside	93	87	80	87	81	82	70
Speed House, Barbican Estate	Urban Background	37	37	34	33	35	32	31
Guinness Trust Estate, Mansell St	Roadside	60	59	59	56	51	48	46



Diffusion tube sites measuring the impact of the Bank on Safety traffic scheme

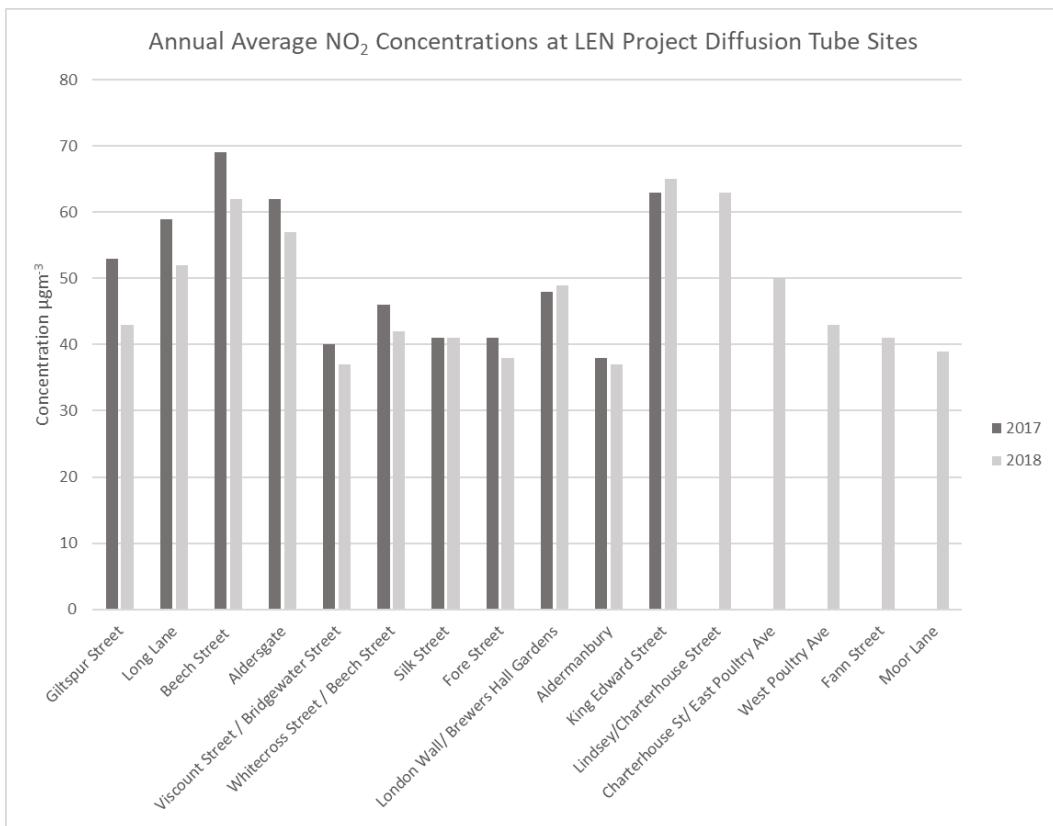
Site	Annual Mean (μg m ⁻³)		
	2016	2017	2018
Cannon Street	78	65	50
Queen Victoria Street	72	59	58
King Street	52	52	52
Corner of Poultry and QVS	71	60	63
Magistrates Court	66	63	53
King William Street	76	70	61
Lombard and KWS	57	58	56
Lombard Street	59	56	56
Lombard Street and Cornhill	68	62	60
Cornhill Bank Junction	71	67	66
Cornhill-Royal Exchange	61	57	62
Threadneedle Street	85	69	62
31 Old Broad Street	59	57	53
Wormwood Street	64	61	57
3 London Wall	64	54	65
81 London Wall	60	59	62
55 Moorgate	69	66	66
85 Gresham Street	53	54	52

Lothbury	45	44	45
Princes Street	78	74	69
Gracechurch Street, T K Maxx	-	68	64
Gracechurch Street Leadenhall	-	66	62
Fish Street Hill	-	66	61
Harrow Place	-	43	39



Diffusion tube sites measuring the impact of the Low Emission Neighbourhood

Site	Annual Mean (µg m ⁻³)	
	2017	2018
Giltspur Street	53	43
Long Lane	59	52
Beech Street- Near Barbican station	69	62
Aldersgate	62	57
Corner of Viscount Street and Bridgewater Street	40	37
Corner of Whitecross Street and Beech street	46	42
Silk Street	41	41
Fore Street	41	38
London Wall/ Brewers Hall Gardens	48	49
Aldermanbury	38	37
King Edward Street	63	65
Lindsey/Charterhouse Street	-	63
Charterhouse St/ East Poultry Ave	-	50
West Poultry Ave	-	43
Fann Street	-	41
Moor Lane	-	39



Diffusion tube sites - other

Site	Annual Mean (µg m⁻³)
Cousin Lane 1	36
Cousin Lane 2	42
Cousin Lane 3	46
Cousin Lane 4	51
Under Southwark Bridge	41
Under London Bridge	37
Liverpool Street	71
Lime Street	38
Fenchurch Avenue	36
Austin Friars	36
Fetter Lane	56
Rolls Passage/Breams Buildings	36
22 Tudor Street	46
St Mary at Hill's Churchyard	33
Monument	41
St Pauls Churchyard	41
St Alphage Gardens	34
Whittington Gardens	42

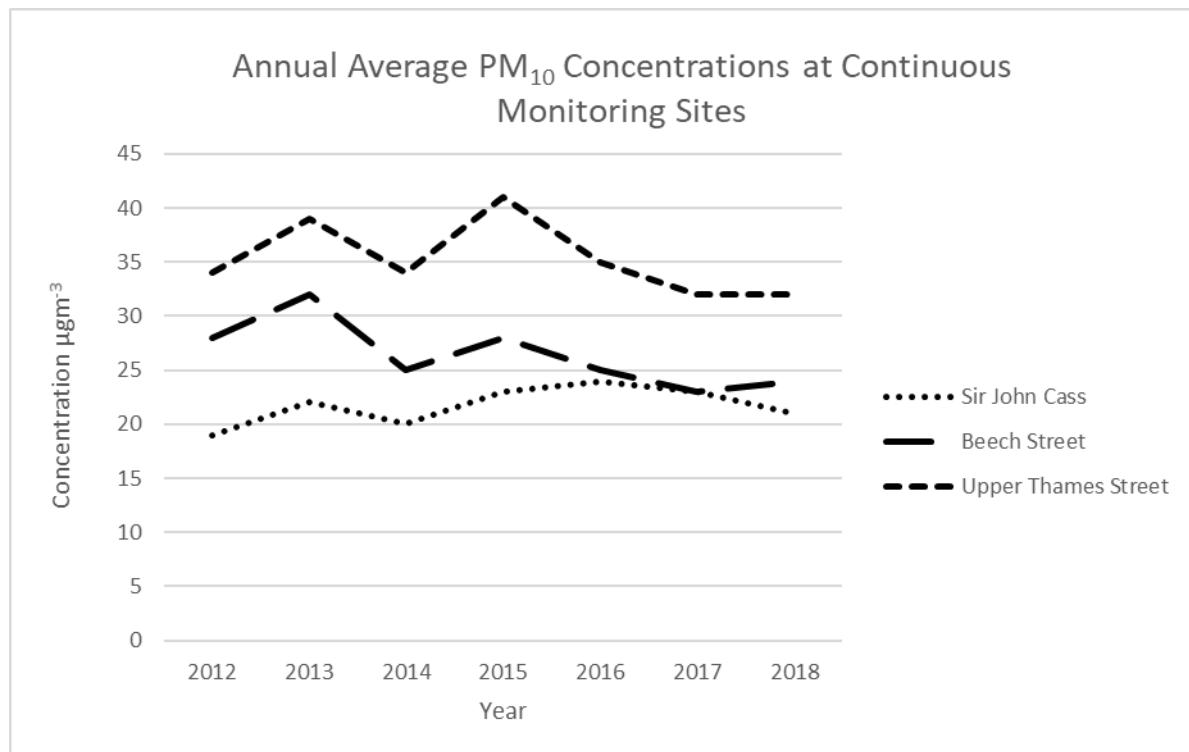
Diffusion tube sites to support the Transport Strategy

Site	Annual Mean (μgm^{-3})
Botolph Lane	49
Byward Street	67
Seething Lane	71
Crosswall	50
Minories	62
Stoney Lane	40
Heneage Lane	42
Camomile Street	68
150 Bishopsgate	74
St Mary Axe	50
Old Broad Street	40
Upper Thames Street	48
Blackfriars Bridge	62
Victoria Embankment	68
Fleet Street	62
Ludgate Hill	61
Museum of London	66
London Wall	65
West Poultry Ave	51
The Fable	58
North Old Bailey	73

3. PM₁₀ Data

EU limit value is 40 μgm^{-3} , World Health Organisation Guideline is 20 μgm^{-3}

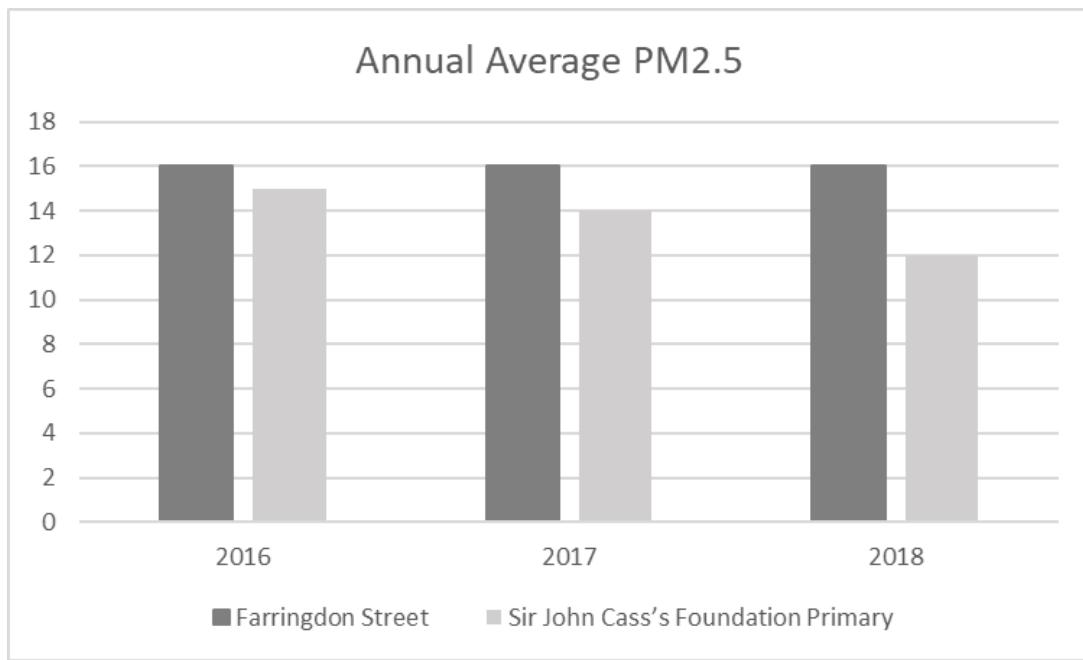
Site	Annual Mean (μgm^{-3})						
	2012	2013	2014	2015	2016	2017	2018
John Cass's Foundation Primary School	19	22	20	23	24	23	21
Beech St	28	32	25	28	25	23	24
Upper Thames St	34	39	34	41	35	32	32



4. PM_{2.5} Data

EU limit value is 25 $\mu\text{g m}^{-3}$, World Health Organisation Guideline is 10 $\mu\text{g m}^{-3}$

Site	Annual Mean ($\mu\text{g m}^{-3}$)		
	2016	2017	2018
Farringdon Street	16	16	16
Sir John Cass's Foundation Primary	15	14	12



5. Air quality action plan update

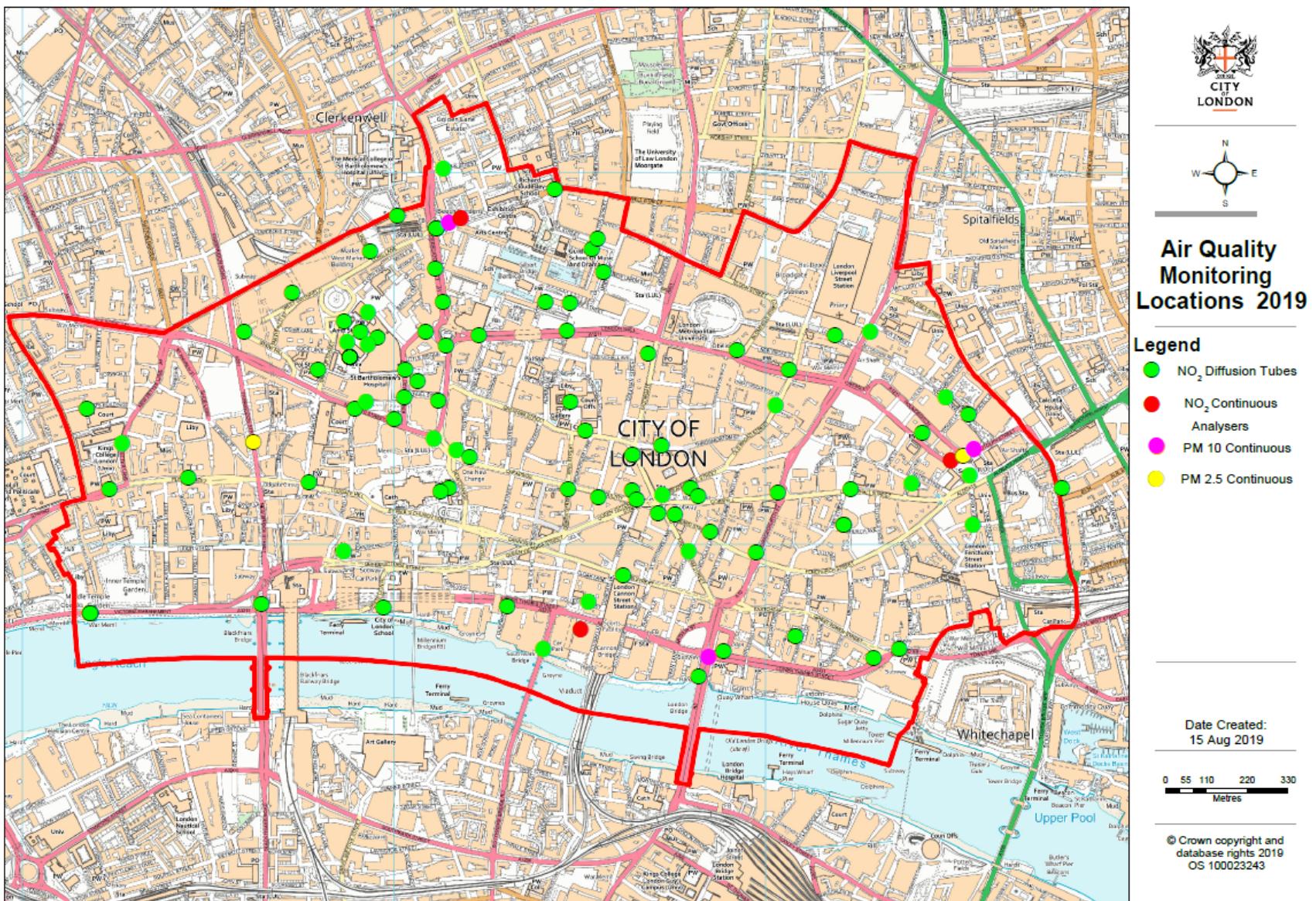
The City Corporation has an Air Quality Strategy which details action being taken to improve air quality. Example of actions in 2018 include:

- Completion of a range of pilot interventions as part of a Low Emission Neighbourhood (LEN) programme.
- An electric vehicle charging pilot trial was undertaken by residents on the Barbican Estate
- The LEN funded Smithfield cargo bike delivery trial developed into an independently run permanent cargo-bike delivery service.
- Air Quality was embedded into the new Transport Strategy, the Responsible Business Strategy and the draft City Plan (Local Plan).
- Proposals were developed for an Emission Reduction Bill, to provide adoptive powers for London local authorities to control emissions from a range of combustion plant.
- The City Corporation idling engine action days project continued to expand with 19 London Boroughs involved.
- Levels of nitrogen dioxide at Sir John Cass's Foundation Primary School reduced even further, to 32 $\mu\text{g}/\text{m}^3$.
- 33 large businesses pledged to take action to improve air quality.
- The City Corporation added an additional 3 electric vehicles to its fleet and updated vehicles where necessary for compliance with the Mayor of London Ultra Low Emission Zone.
- A bi-monthly air quality e-newsletter has been produced.

6. Monitoring locations

Air quality monitoring locations are reviewed annually. There are a number of core monitoring sites that are maintained. Other sites are added and removed according to the needs of research projects, planned programmes and local investigations or concerns. Locations at which monitoring is taking place during 2019 are shown in Figure 1 overleaf.

Figure 1: Air quality monitoring locations, 2019



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Agenda Item 12

Committee(s) Audit & Risk Management Committee – For information	Dated: 28 January 2020
Subject: City of London Police Freedom of Information Requests Update	Public
Report of: Commissioner of Police	For Information
Report author: Gary Brailsford-Hart – Director of Information	

Summary

At the March 2019 meeting of the Audit and Risk Committee an action was issued for the Commissioner to provide an update of Freedom of Information (FoI) request arrears to be presented to a future Committee meeting on the basis of a red RAG rating from an Internal Audit which had been completed in 2018 on this City of London Police (CoLP) business area.

The Commissioner of Police attended the September 2019 meeting of the Audit and Risk Committee and gave a verbal update to Members reassuring them that this risk was being managed. However, a further request was received following the November Audit and Risk Management Committee meeting, where the Committee whilst having received a verbal update from the Commissioner at the previous meeting, it would also like to receive a formal written report of Freedom of Information request arrears from the Commissioner at the next meeting on 28th January 2020.

This report outlines the Force's approach in its consideration and acceptance of the findings of the FoI audit report from 2018, how it is managing the ongoing demands in this area, and demonstrates the risk approach being taken within the appropriate departmental risk control framework.

Recommendation(s)

Members are asked to note this report.

Main Report

Background

1. At the March 2019 meeting of the Audit and Risk Committee an action was issued for the Commissioner to provide an update of Freedom of Information (FoI) request arrears to be presented to a future Committee meeting on the basis of a red RAG rating from an Internal Audit which had been completed in 2018 on this CoLP business area.
2. The Commissioner of Police attended the September 2019 meeting of the Audit and Risk Committee and gave a verbal update to Members. The minutes of that

meeting note: “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”.

3. However, a further request was received following the November Audit and Risk Management Committee meeting, where the Committee decided it would like to receive a further update in the form of a formal written report of Freedom of Information request arrears from the Commissioner at the next meeting on 28th January 2020.

Current Position

4. The management of Freedom of Information (FoI) requests within the City of London Police is not a City of London Corporation corporate risk but a CoLP ‘departmental’ risk. This report is provided to assure Audit and Risk Committee that the City of London Police recognise, understand and are appropriately managing their own ‘departmental’ risk.
5. The management of requests for information pursuant to the Freedom of Information Act 2000 (FoIA) is a dynamic and fluid process often driven by public interest, the media, and those seeking commercial opportunity. The City of London Police provides a public information access function, where requests for information are centrally managed and triaged across the Force. The centralised function, common to all police forces, assesses the threat, risk and harm from requests for information and ensures a consistent, and sometimes nationally approved approach, is taken when responding to requests.
6. The information access function also manages requests for information made under the Data Protection Act 2018 (DPA), the recent changes in legislation have led to a significant increase in the complexity and volume of requests – this has had a direct impact on arrears in FoI requests, with priority being given to DPA due to more significant personal impact and litigation risk.
7. Unlike Local Authorities the whole of the Police Service has a Centralised Referral Unit (CRU) for all Freedom of Information requests. This unit is hosted by Hampshire Constabulary and funded by all forces and is managed by a national S22a Collaboration Agreement. The role of the CRU is primarily to address and manage risks associated with requests for information concerning Police UK. The importance of this function cannot be overstated. For example a request asking for details of covert capability would ordinarily be refused on a number of exemptions, however, if answered by a single force it has the potential to mute the argument for non-disclosure in all other forces and potentially expose significant risk to policing operational capability, the CRU seeks to advise and avoid scenarios of this nature. Unfortunately, referrals to and from CRU do sometimes add an element of delay in the processing of some requests.

8. Whilst the FoI Audit in 2018 only focused on the specifics of FoI legislation, the organisational response and planning is broader and more complex. The inclusion of CRU referrals as well as the prioritisation of requests against strengthening Data Protection legislation was not been considered within the Audit but is a significant factor in how the force manages its capability to respond to requests for information.
9. Additionally, the capability of the force to respond to requests has been directly affected by a number of key personnel on long term sick leave, this has also been compounded by vacancies and sickness within the Performance Information Unit – a key unit in supplying statistical information.
10. Temporary staff have been recruited into the Information Access Unit to support the ongoing demands for information, however this has had limited success due to a lack of specialist FoI knowledge and skills. Staff are now returning to work from sickness absence and vacancies are being filled. The force is seeing the results of additional capability and the team is better able to meet the increasing demands in this area.
11. Additionally, recruitment has taken place within the Performance Information Unit and requests for statistical information are being addressed more efficiently as a result.
12. The importance of supporting the FoI process is fully understood by the force and a Gold Group chaired by T/Cdr David Evans has been convened where senior management control and direction, including additional funding, has been made available and continues to actively monitor and support the ongoing demands in this area. It is expected that all arrears across FoI will have been closed and a return to a normal state by the end of March 2020.
13. In addition, it should be noted that Freedom of Information is a standing agenda item at the Strategic Information Management Board, chaired by the Commissioner, where oversight and risk management is reported and directed accordingly.

Resourcing

14. The centralised Information Access Team comprises four FTE's. Members of this team are expected to be multi-disciplined and manage requests for information pursuant to the Data Protection Act, Freedom of Information Act and Environmental Information Regulations, not only handling requests from the regulator, the public, journalists and the commercial sector but also solicitors, courts and the insurance sector.

Core Team

1 x Information Access Manager
2 x Senior Information Access Officers
1 x Information Access Officer

Additional temporary resources:**In place:**

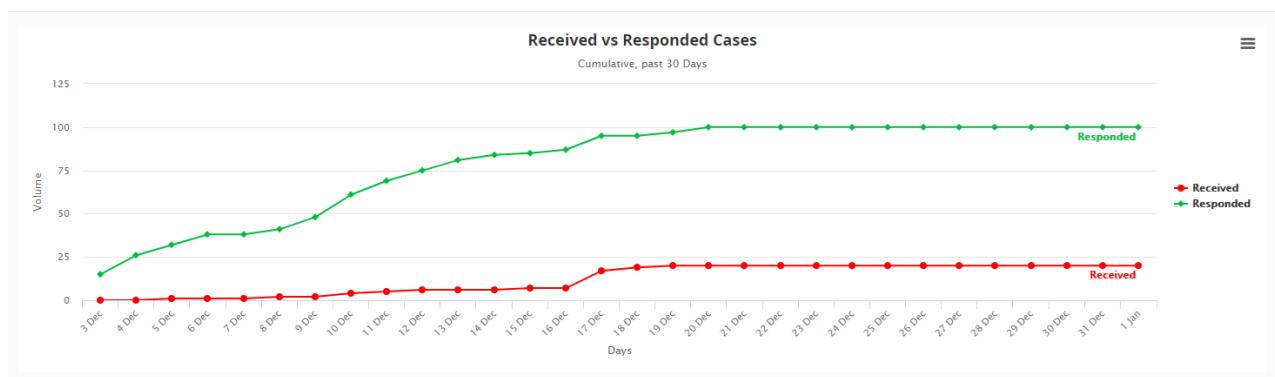
1 x Senior Information Access Officer (Consultant)
1 x seconded Police Constable from Uniform Policing
1 x seconded Grade D from Economic Crime

Pending:

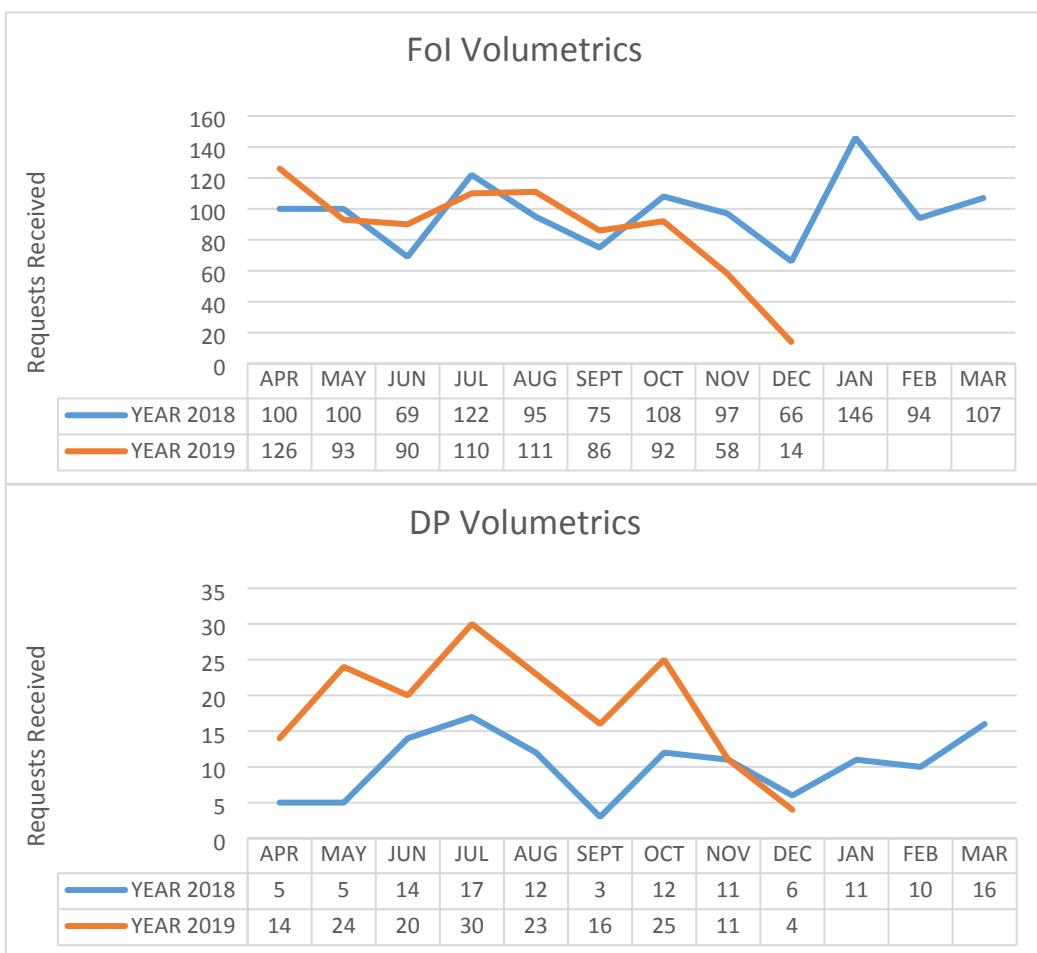
1 x Senior Information Access Officer (Consultant) (Starts 20/01/20)
2 x Information Access Officer (Pending evaluation and start date)

Performance

15. New request tracking and management software has been installed and is now demonstrating gains in the processing of requests for information. Additionally, the increase in resourcing has had a positive impact on the processing of requests and the chart below demonstrates the throughput of requests, plotted against the number of requests being received.
16. The demand charts below illustrate the volume of requests year-on-year for 2018 and 2019 across the FoI and DPA legislative areas. There is still a backlog of requests and this is demonstrated within the graphic at Appendix 1. A fuller explanation of this graphic can be given to Members at the Committee.



Demand Data:



Conclusion

17. This report has outlined the background and current position regarding the FoI arrears. It can be seen that this area of business is complex and has been impacted by a number of factors which have exacerbated the build up of arrears. However, the force has, and is, managing the risk associated with this and will continue to do so.

Appendices

- Appendix 1 – FoI Request Arrears (January 2020)

Background Papers

None.

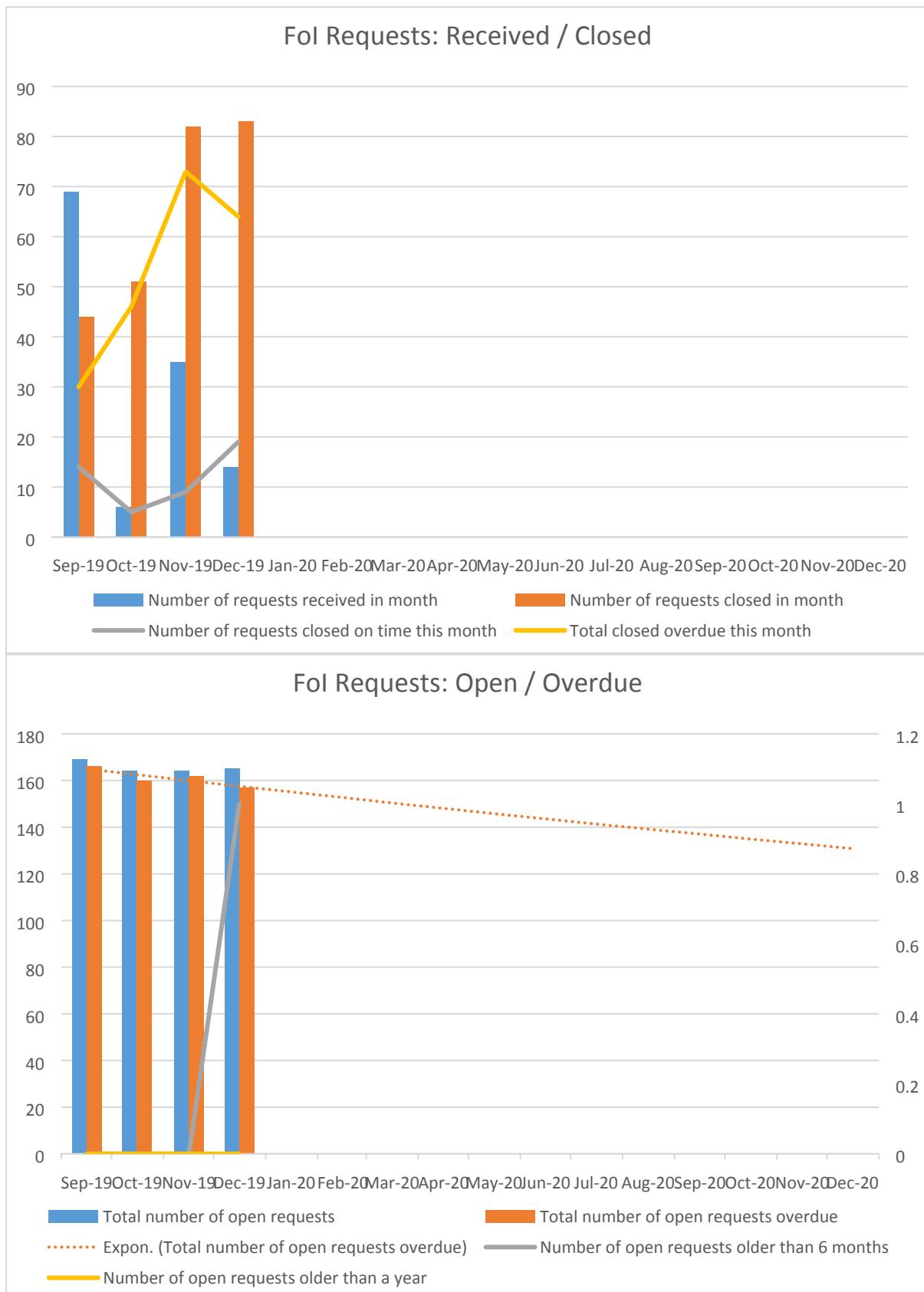
Gary Brailsford-Hart

Director of Information

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Appendix 1 – FOI Request Arrears (January 2020)



Agenda Item 13

TO: AUDIT AND RISK MANAGEMENT COMMITTEE

28 JANUARY 2020

FROM: POLICE AUTHORITY BOARD

28 NOVEMBER 2019

6. MINUTES - PERFORMANCE AND RESOURCE MANAGEMENT COMMITTEE

Members considered the draft public minutes and summary of the Performance and Resource Management Committee meeting held on 15 November 2019 and the following points were made.

- The Chairman of the Committee noted that Members at that meeting had scrutinised the Budget Monitoring Q2 2019/20 report and the Medium-Term Financial Plan, noting that the latter was key to ensure a balanced sustainable budget was achieved going forward.
- The Chairman added that Members had also noted the disappointing crime statistics reported under the Policing Plan 2019/20 – Performance against Measures for end Q2 report, whilst acknowledging that Extinction Rebellion policing commitments had likely had an impact on wider performance.
- **Members went on to discuss the Committee's recommendation that the Police Authority Board adopt a resolution for the Audit and Risk Management Committee that strategic project management be made a Corporate Risk, in light of the internal audit report considered at the Performance and Resource Management Committee meeting.**
- A Member cautioned that the Authority's Audit and Risk Management Committee often received requests to adopt new Corporate Risks, of which there were now 17. In his view, it was arguably more effective to allow risks to be held and monitored by the Department concerned, only escalating those risks to Corporate level when they were underpinned by a strong case for doing so.
- **Members noted that, whilst the Authority had strengthened the governance and oversight of strategic projects through the establishment of the Capital Buildings Committee, it would nevertheless be appropriate to move a resolution to the Audit and Risk Management Committee to suggest that it consider the adoption of strategic project management as a Corporate Risk.**
- A Member noted that Members should be mindful, going forward, of their duty to scrutinise projects effectively.

RESOLVED,

- That the draft public minutes and summary of the Performance and Resource Management Committee meeting held on 15 November 2019 be received.
- **That the City of London Corporation's Audit and Risk Management Committee be asked to consider whether it would be appropriate to adopt strategic project management as a Corporate Risk, considering internal audit issues highlighted regarding the Police Accommodation Programme 2012-2017 and the Fleet Street Estate Programme.**

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Agenda Item 17

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of the Local Government Act 1972.

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Agenda Item 18

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Agenda Item 19

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