



Finance & Estates Committee of the Board of Governors of the City of London School

Date: WEDNESDAY, 12 FEBRUARY 2020

Time: 10.00 am

Venue: CITY OF LONDON SCHOOL, QUEEN VICTORIA STREET, LONDON, EC4V 3AL

Members: Tim Levene (Chairman)
Alexander Barr
Deputy Keith Bottomley
Deputy Edward Lord
Ian Seaton
Paul Stein
Deputy James Thomson

Enquiries: Polly Dunn
Polly.Dunn@cityoflondon.gov.uk

NB: Part of this meeting could be the subject of audio or video recording

Future Board meeting dates

11 March 2020 – 11am (Guildhall)
10 Jun 2020 – 11am (City of London School)
7 October 2020 – 11am (City of London School)
9 December – 11am (City of London School)

Future Committee meeting dates

22 May 2020
18 September 2020 (Academic & Education)
20 November 2020 (Governance/Finance & Estates)

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**

To agree the public minutes and non-public summary of the meeting held on 22 November 2019.

For Decision
(Pages 1 - 4)

4. **RISK REGISTER 2019-20 FOR: THE CITY OF LONDON SCHOOL BURSARY FUND INCORPORATING THE CITY OF LONDON SCHOOL SCHOLARSHIPS AND PRIZES FUND AND THE CITY OF LONDON SCHOOL EDUCATION TRUST**
Report of the Chamberlain and the Bursar.

For Decision
(Pages 5 - 14)

5. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB COMMITTEE**

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

7. **EXCLUSION OF THE PUBLIC**

MOTION - That under Section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Part I of Schedule 12A of the Local Government Act.

For Decision

Part 2 - Non-Public Agenda

8. **NON-PUBLIC MINUTES**

To agree the non-public minutes of the meeting held on 22 November 2019.

For Decision
(Pages 15 - 18)

9. **OUTSTANDING ACTIONS**

Report of the Town Clerk.

For Information
(Pages 19 - 20)

10. **BURSAR'S REPORT**

Report of the Bursar.

For Information
(Pages 21 - 24)

11. **CYBER SECURITY**

Report of the Bursar.

For Information
(Pages 25 - 30)

12. **FINANCIAL INFORMATION DASHBOARD**

Joint report of the Chamberlain and the Bursar.

For Information
(Pages 31 - 46)

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

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

Part 3 - Confidential Agenda - Circulated Separately

15. **BAINES CUTLER BENCHMARK REPORT ON TEACHER AND SENIOR STAFF
SALARY AND BENEFITS - JANUARY 2020**

Report of the Head.

For Information

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FINANCE & ESTATES COMMITTEE OF THE BOARD OF GOVERNORS OF THE CITY OF LONDON SCHOOL

Friday, 22 November 2019

Minutes of the meeting of the Finance & Estates Committee of the Board of Governors of the City of London School held at the Guildhall EC2 at 10.00 am

Present

Members:

Tim Levene (Chairman)
Deputy James Thomson
Alexander Barr

Deputy Keith Bottomley
Deputy Edward Lord

Officers:

Alan Bird	- Head, City of London School
Charles Griffiths	- City of London School
Steven Reynolds	- Chamberlain's Department
Polly Dunn	- Town Clerk's Department

1. APOLOGIES

Apologies were received from Paul Stein.

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

There were none.

3. MINUTES

RESOLVED, that public minutes and non-public summary of the meeting held on 24 May 2019 be approved as accurate record.

4. THE CITY OF LONDON SCHOOL BURSARY FUND INCORPORATING THE CITY OF LONDON SCHOOL SCHOLARSHIPS & PRIZES FUND - DRAFT ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Governors received the report of the Chamberlain regarding the City of London School Bursary Fund incorporating The City of London School Scholarships & Prizes Fund - Draft Annual Report and Financial Statements for the year ended 31 March 2019.

RESOLVED, that the report be noted.

5. CITY OF LONDON SCHOOL EDUCATION TRUST - DRAFT 2018/19 ANNUAL REPORT AND FINANCIAL STATEMENTS

Governors received a report of the Chamberlain regarding the City of London School Education Trust - Draft 2018/19 Annual Report and Financial Statements.

RESOLVED, that the report be noted.

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

There were no questions.

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

There was no other business.

EXCLUSION OF THE PUBLIC

RESOLVED, that under section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on grounds that they involve the likely disclosure of exempt information as defined in Part I of Schedule 12A of the Local Government Act.

8. **NON-PUBLIC MINUTES**

RESOLVED, that the non-public minutes of the meeting held on 24 May 2019, be approved as accurate record.

9. **OUTSTANDING ACTIONS**

Governors considered a report of the Town Clerk regarding non-public outstanding actions.

10. **BURSAR'S REPORT**

Governors considered a report of the Bursar regarding financial and operational matters.

11. **REPAIRS, MAINTENANCE AND IMPROVEMENTS FUND**

Governors considered a report of the Chamberlain, the Head and the City Surveyor regarding the School's Repairs, Maintenance and Improvements Fund.

12. **FINANCIAL INFORMATION DASHBOARD**

Governors received a report of the Chamberlain and the Bursar regarding the School's Financial Information Dashboard.

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

There were no questions.

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

There was no other business.

15. **CONFIDENTIAL MINUTES**

RESOLVED, that the confidential minutes of the meeting held on 25 February 2019, be approved as accurate record.

The meeting closed at 10.58

Chairman

Contact Officer: Polly Dunn
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Committee	Date
Finance & Estates Committee of the Board of Governors of the City of London School	12 February 2020
Board of Governors of the City of London School	11 March 2020
Subject: Risk Register 2019-20 for: The City of London School Bursary Fund incorporating The City of London School Scholarships and Prizes Fund and The City of London School Education Trust	Public
Report of: The Chamberlain and The Bursar of The City of London School	For Decision
Report author: Steven Reynolds, Chamberlain's Department	

Summary

This report provides a key risks register at Appendix 2 for The City of London School Bursary Fund incorporating The City of London School Scholarships and Prizes Fund and, at Appendix 3, a key risks register for The City of London School Education Trust, both for review by Members on behalf of the trustee (the City of London Corporation), to ensure that existing risks are reconsidered, any new risks are identified and that appropriate measures are in place to mitigate those risks.

These registers have been prepared and scored using the City of London Corporation Risk Matrix at Appendix 1.

Currently, the risk register for the Bursary Fund contains eight risks, of which six are assessed as green and two which are amber. Risk five is a new risk which recognises that funding from the City may reduce in the future. This is an amber risk and further detail is provided in paragraph 5 of this report. The register for the Education Trust contains four risks, all of which are assessed as green. Whilst still green, the score of risk one, relating to grants being awarded for purposes not complying with the charity's objectives, has increased from 1 to 4 and this is explained in paragraph 8. No other new risks have been identified since the last annual register was presented to this Board and the other risk scores remain unchanged. There are currently no red risks on either register.

Recommendations

Members are asked to review the two risk registers to confirm that they satisfactorily set out the risks facing the School's two charities and that appropriate measures are in place to mitigate those risks.

Main Report

Background

1. This report provides a key risks register for The City of London School Bursary Fund incorporating The City of London School Scholarships and Prizes Fund at Appendix 2 and a key risks register for The City of London School Education Trust at Appendix 3, both administered by the Board of Governors of the City of London School on behalf of the trustee (the City of London Corporation).
2. In accordance with the Charity Commission's Statement of Recommended Practice (SORP), Trustees are required to confirm in the charity's annual report that any major risks to which the charity is exposed have been identified and reviewed and that systems are established to mitigate those risks.
3. The Charities SORP requires that the register is reviewed annually to ensure that existing risks are reconsidered and any new risks are identified.

Review of Risks

4. The method of assessing risk reflects the City of London's standard approach to risk assessment as set out in its Risk Management Strategy as approved by the Audit and Risk Management Committee. The City of London Corporation risk matrix, which explains how risks are assessed and scored, is attached at Appendix 1 of this report.
5. The risk register to be reviewed by the Board of Governors of the City of London School for The City of London School Bursary Fund incorporating The City of London School Scholarships and Prizes Fund is set out in Appendix 2. This contains eight risks as summarised below:
 1. Income from investments may decline – overall risk score of amber (12);
 2. Awards may not comply with objectives – overall risk score of green (1);
 3. Applicants do not disclose full details – overall risk score of green (3);
 4. Insufficient beneficiaries – overall risk score of green (4);
 5. NEW RISK: Funding from the City may reduce – overall score of amber (8);
 6. Charity lacks direction, strategy, and forward planning – overall green (4);
 7. Conflicts of interest – overall risk score of green (1); and
 8. Loss of staff – overall risk score of green (3).

Mitigation of amber risks

Risk one is mitigated through investments being managed by a professional fund manager, whose performance is monitored by the Chamberlain and Financial Investment Board. All current measures are being taken and nothing further can be done (at this time) to mitigate the risk.

Risk five is a new risk, which would be mitigated through trying to agree a phased approach to any reduction to ensure that replacement funds could be found from elsewhere.

6. In regards to risk six, a review of the charities is currently being undertaken by the School, alongside legal experts, and this is anticipated to result in improved direction and strategy. The current risk is assessed as green with a score of 4 and this is anticipated to reduce to 2 following completion of the review.
7. The risk register to be reviewed by the Board of Governors of the City of London School for The City of London School Education Trust is set out in Appendix 3. This contains four risks as summarised below:
 1. Awards may not comply with objectives – overall risk score of green (4);
 2. Charity lacks direction, strategy, and forward planning – overall green (4);
 3. Conflicts of interest – overall risk score of green (1); and
 4. Loss of staff – overall risk score of green (3).
8. The score of risk one is still classified as a green risk, but the score has increased from 1 to 4. However, it has been recognised that the charity lacks purpose, has only minor funds associated with it and the charity is currently in the process of being wound up, which will mitigate this risk.

Conclusion

9. The various risks faced by the two charities have been reviewed and Members are asked to confirm that the attached registers satisfactorily set out the key risks together with their potential impact and that appropriate measures are in place to mitigate the risks identified.

Appendices

- Appendix 1 – City of London Corporation Risk Matrix
- Appendix 2 – Charity Risk Register for The City of London School Bursary Fund incorporating The City of London School Scholarships and Prizes Fund
- Appendix 3 – Charity Risk Register for The City of London School Education Trust

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

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

(A) Likelihood criteria

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

(B) Impact criteria

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

(C) Risk scoring grid

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

(D) Risk score definitions

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

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

Contact the Corporate Risk Advisor for further information. Ext 1297

October 2015

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The CoL School Bursary Fund Incorporating The CoL School Scholarships and Prizes Funds - Risk Register to be considered by the Board of Governors CLS

Risk No.	Risk (Short description)	Risk Owner	Committee	Existing Controls	Current Risk				Planned Actions	Target Risk		
					Likelihood	Impact	Rating	Direction		Likelihood	Impact	Rating
1	The income from investments in the Charities Pool may decline	Chamberlain	Board of Governors of the CLS	Funds are managed by professional fund manager. Monitoring of fund manager's performance by Chamberlain/ Financial Investment Board.	Possible	Major	Amber 12	↔	Continue with existing controls	Possible	Major	Amber 12
2	Grants/awards/loans may be given for purposes not complying with charity's objectives	Head of CLS	Board of Governors of the CLS	Trustees have their objectives before them when agreeing grants. Ensure awards are only given for stated purposes.	Rare	Minor	Green 1	↔	Continue with existing controls	Rare	Minor	Green 1
3	Applicants for financial assistance do not disclose full details of their circumstances	Head of CLS	Board of Governors of the CLS	Applicants are required to complete and sign application form and provide supporting evidence. Officers follow up obvious discrepancies when assessing the application. Ensure scrutiny is rigorous, Bursar conducts a face to face meeting with all applicants for support from the funds to judge need.	Possible	Minor	Green 3	↔	Continue with existing controls	Possible	Minor	Green 3
4	Insufficient beneficiaries complying with the objects of the Trust	Head of CLS	Board of Governors of the CLS	Advertising, actively looking for beneficiaries.	Unlikely	Serious	Green 4	↔	Continue with existing controls	Unlikely	Serious	Green 4
5 NEW RISK	Funding from the City may be reduced following change in its budget policy which could result in serious impact on the charity and lead to adverse user reaction and bad publicity.	Head of CLS	Board of Governors of the CLS	Appropriate representation to be made to the City Corporation if budget policy provides risk to charity. Identify new funders.	Unlikely	Major	Amber 8	↔	Try to agree phased approach to any City reduction in support to ensure replacement funds can be found from elsewhere.	Unlikely	Minor	Green 2
6	The Charity lacks direction, strategy and forward planning	Head of CLS	Board of Governors of the CLS	A strategic plan which sets out the key aims, objectives and policies, financial plans and budgets. Monitoring of financial and operational performance.	Rare	Major	Green 4	↔	A review of the charities is currently being undertaken and this is anticipated to result in improved direction and strategy	Rare	Serious	Green 2
7	Conflicts of interest	Head of CLS	Board of Governors of the CLS	Understanding of trust law. Protocol for disclosure of potential conflict of interest.	Rare	Minor	Green 1	↔	Continue with existing controls	Rare	Minor	Green 1
8	Loss of staff	Head of CLS	Board of Governors of the CLS	Documentation of systems, plans and projects. Training programmes.	Possible	Minor	Green 3	↔	Continue with existing controls	Possible	Minor	Green 3

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The City of London School Education Trust - Risk Register to be considered by the Board of Governors of the City of London School

Risk No.	Risk (Short description)	Risk Owner	Committee	Existing Controls	Current Risk				Planned Actions	Target Risk		
					Likelihood	Impact	Rating	Direction		Likelihood	Impact	Rating
1	Grants/awards/loans may be given for purposes not complying with charity's objectives	Head of CLS	Board of Governors of the CLS	The charity lacks purpose and has only minor funds associated with it. It is in the process of being wound up.	Likely	Minor	Green 4	↑	The charity is in the process of being wound up	Rare	Minor	Green 1
2	The Charity lacks direction, strategy and forward planning	Head of CLS	Board of Governors of the CLS	The charity lacks purpose and has only minor funds associated with it. It is in the process of being wound up.	Likely	Minor	Green 4	↔	The charity is in the process of being wound up	Rare	Minor	Green 1
3	Conflicts of interest	Head of CLS	Board of Governors of the CLS	Understanding of trust law. Protocol for disclosure of potential conflict of interest.	Rare	Minor	Green 1	↔	Continue existing controls	Rare	Minor	Green 1
4	Loss of staff	Head of CLS	Board of Governors of the CLS	Documentation of systems, plans and projects. Training programmes.	Possible	Minor	Green 3	↔	Continue existing controls	Possible	Minor	Green 3

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