



Audit and Risk Management Committee

Date: TUESDAY, 25 MAY 2021

Time: 2.00 pm

Venue: VIRTUAL PUBLIC MEETING (ACCESSIBLE REMOTELY)

Members:

Alexander Barr (Chairman)	Deputy Jamie Ingham Clark (Ex-Officio)
Hilary Daniels (Deputy Chairman)	Gail Le Coz (External Member)
Rehana Ameer	Paul Martinelli
Randall Anderson	Jeremy Mayhew (Ex-Officio)
Chris Boden	Deputy Andrien Meyers
Anne Fairweather	John Petrie
Marianne Fredericks (Ex-Officio)	Ruby Sayed
Alderman Prem Goyal	Dan Worsley (External Member)

Enquiries: Chloe Rew chloe.rew@cityoflondon.gov.uk

Accessing the virtual public meeting

Members of the public can observe this virtual public meeting at the below link:
<https://youtu.be/O4xOfTrqBGs>

This meeting will be a virtual meeting and therefore will not take place in a physical location. Any views reached by the Committee today will have to be considered by the Chamberlain after the meeting in accordance with the Court of Common Council's Covid Approval Procedure who will make a formal decision having considered all relevant matters. This process reflects the current position in respect of the holding of formal Local Authority meetings and the Court of Common Council's decision of 15th April 2021 to continue with virtual meetings and take formal decisions through a delegation to the Town Clerk and other officers nominated by him after the informal meeting has taken place and the will of the Committee is known in open session. Details of all decisions taken under the Covid Approval Procedure will be available on line via the City Corporation's webpages.

A recording of the public meeting will be available via the above link following the end of the public meeting for up to one municipal year. Please note: Online meeting recordings do not constitute the formal minutes of the meeting; minutes are written and are available on the City of London Corporation's website. Recordings may be edited, at the discretion of the proper officer, to remove any inappropriate material.

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. **ELECTION OF A DEPUTY CHAIRMAN**

To elect a Deputy Chairman (Member) in accordance with Standing Order 30.

For Decision

4. **MINUTES - 23 MARCH 2021**

To agree the public minutes and non-public summary of the meeting held on 23 March 2021.

For Decision
(Pages 7 - 12)

5. **MINUTES - 5 MAY 2021**

To agree the public minutes of the special meeting of the Committee held on 5 May 2021.

For Decision
(Pages 13 - 14)

6. **OUTSTANDING ACTIONS OF THE COMMITTEE**

Member are asked to note the Committee's Outstanding Actions List.

For Information
(Pages 15 - 16)

7. **COMMITTEE WORK PROGRAMME**

Member are asked to note the Committee's Work Programme.

For Information
(Pages 17 - 20)

Governance

8. SUB-COMMITTEES REPORT

Report of the Town Clerk & Chief Executive.

For Decision
(Pages 21 - 26)

9. ANNUAL REPORT OF THE COMMITTEE

Report of the Town Clerk & Chief Executive.

For Decision
(Pages 27 - 34)

Internal Audit

10. HEAD OF AUDIT AND RISK MANAGEMENT ANNUAL OPINION

Report of the Head of Audit & Risk Management.

For Information
(Pages 35 - 42)

11. INTERNAL AUDIT PROGRESS REPORT

Report of the Head of Audit and Risk Management.

For Information
(Pages 43 - 46)

Anti-Fraud and Corruption

12. ANTI-FRAUD & INVESTIGATIONS - 2020/21 ANNUAL REPORT

Report of the Head of Audit & Risk Management.

For Information
(Pages 47 - 58)

Risk Management

13. CITY OF LONDON CORPORATION RISK MANAGEMENT POLICY AND STRATEGY

Report of the Chamberlain.

For Decision
(Pages 59 - 126)

14. **RISK MANAGEMENT UPDATE**

Report of the Chamberlain.

To be read in conjunction with the non-public appendices at item 22.

For Information
(Pages 127 - 170)

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

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

17. **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.

For Decision

Part 2 - Non-Public Agenda

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

To agree the non-public minutes of the previous meeting held on 23 March 2021.

For Decision
(Pages 171 - 172)

External Audit

19. **AUDIT PANEL APPOINTMENT (COMMON HALL)**

Report of the Chamberlain.

For Decision
(Pages 173 - 178)

20. **EXTERNAL AUDIT PROCUREMENT - TO FOLLOW**

Report of the Chamberlain.

For Decision

Risk Management

21. DEEP DIVE RISK REVIEWS

a) Deep Dive: CR16 Information Security Risk

Report of the Chamberlain.

For Information
(Pages 179 - 212)

b) Deep Dive: CR34 COVID 19

Report of the City of London Corporation Gold Group.

For Information
(Pages 213 - 226)

22. RISK MANAGEMENT UPDATE - NON-PUBLIC APPENDICES

To be read in conjunction with the report of the Chamberlain at item 14.

For Information
(Pages 227 - 240)

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

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

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AUDIT AND RISK MANAGEMENT COMMITTEE

Tuesday, 23 March 2021

Minutes of the meeting of the Audit and Risk Management Committee held virtually on Microsoft Teams on Tuesday, 23 March 2021 at 2.00 pm

Present

Members:

Alexander Barr (Chairman)	Paul Martinelli
Alderman Ian Luder (Deputy Chairman - Member)	Caroline Mawhood (External Member)
Hilary Daniels (Deputy Chairman - External)	Jeremy Mayhew (Ex-Officio Member)
Randall Anderson	Deputy Andrien Meyers
Marianne Fredericks (Ex-Officio Member)	John Petrie
Alderman Prem Goyal	Ruby Sayed
Deputy Jamie Ingham Clark (Ex-Officio Member)	Dan Worsley (External Member)

In Attendance

Officers:

Chloe Rew	- Town Clerk's Department
Antoinette Duhaney	- Town Clerk's Department
Peter Kane	- Chamberlain
Caroline Al-Beyerty	- Chamberlain's Department
Karen Atkinson	- Chamberlain's Department
Paul Dudley	- Chamberlain's Department
Matthew Lock	- Chamberlain's Department
Bukola Soyombo	- Chamberlain's Department
Sonia Virdee	- Chamberlain's Department
Michael Cogher	- Comptroller and City Solicitor
John Galvin	- City Surveyor's Department
Andrew Carter	- Director of Community and Children's Services
Sharon McLaughlin	- Department of Community and Children's Services
Chris Pelham	- Department of Community and Children's Services
Charles Griffiths	- City of London School
Damian Valle Valenzuela	- City of London School
Kevin Kilburn	- City of London Police

Also in attendance

Fiona Condron	- BDO, External Auditors
David Eagles	- BDO, External Auditors
Peter Lewis	- BDO, External Auditors

OPENING REMARKS

The Chairman opened the meeting with the following opening remarks:

The Chairman wished to place on record the Committee's thanks to Caroline Mawhood for her service on the Committee, having served since 2010 in its previous form as a Sub-Committee of the Finance Committee. Caroline had previously served as Assistant Auditor at the National Audit Office, and with that experience auditing major government departments, it was a coup for the Corporation to secure her services on the Committee. The Corporation had been the additional beneficiary of her wise counsel on the Police Performance and Management Sub-Committee and the Nominations Sub-Committee of this Committee. Caroline was awarded an MBE in the 2019 New Years Honours for her services to the economy, and continues to serve in a wide range of external governance positions. Caroline has been highly effective in her role on the Committee holding the Corporation to account in a collegiate and consistent, and never wavering manner. It is that approach that has helped us all to get to the root of many matters and which facilitates ongoing improvement, better risk and audit practices within the Corporation, all for the public good. Both personally and on behalf of the immediate past Chairman, Alderman Ian Luder, and the other Deputy Chairman Hilary Daniels, and the broader Audit & Risk Management Committee, the Chairman expressed since thanks to Caroline for her most valued contributions over the last 11 years, and the Chairman hoped the Committee could say goodbye properly in person at some point later this year when conditions permit.

The Chairman noted that although a formal vote of thanks was recorded previously for Alderman Ian Luder, as this was the Alderman's last meeting with the Committee, the Chairman wished to place on record the Committee's thanks to Deputy Chairman Alderman Ian Luder for his work on the Committee and support to the Chairman.

Deputy Chairman Hilary Daniels seconded both statements.

The Chairman thanked all Committee Members for their contributions, particularly in light of the challenges of the pandemic. On behalf of the Committee, the Chairman thanked all officers for their support this year.

1. APOLOGIES

Apologies were received from Anne Fairweather.

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

There were none.

3. MINUTES OF THE PREVIOUS MEETING

RESOLVED, that – the minutes of the meeting held on 13 January 2021 be agreed as a correct record, subject to one amendment provided in advance of the meeting.

4. **OUTSTANDING ACTIONS OF THE COMMITTEE**

Members received the committee's list of outstanding actions.

5. **COMMITTEE WORK PROGRAMME**

Members received the Committee's work programme.

6. **INTERNAL AUDIT CHARTER**

Members considered a report of the Head of Audit and Risk Management in respect of the Internal Audit Charter annual review. Members were advised that there was a close working relationship between External and Internal Audit, however External Audit should not place reliance on the work of Internal Audit.

RESOLVED, that - the updated City of London Internal Audit Charter be agreed.

7. **AUDIT PLANNING: YEAR ENDED 31 MARCH 2021**

Members received the reports of the External Auditors, BDO, in respect of Audit Planning for the year ended 31 March 2021 for Bridge House Estates; City Fund; City's Cash and Sundry Trusts; and the Pension Fund. The following points were noted:

a) Bridge House Estates

BDO emphasised that BHE was an unincorporated charity and assets were used as a starting point for the materiality, given the relative size of the balance sheet in comparison to the income statement.

b) City Fund

There was a risk that the audit would not be completed by the end of September deadline set by the Ministry of Housing, Communities and Local Government (MHCLG). The deadline had been extended in 2020 due to the pandemic, however the MHCLG had not granted the same flexibility with deadlines for 2021. BDO was making representations to the MHCLG for an extension. This was an issue with all firms in local government market.

There had been increased communication from the Chamberlain's regarding related party transactions as well as more regular escalation routes when Members had not responded in expected timescales.

c) City's Cash and Sundry Trusts

Non-statutory audit as it is a fund, rather than a company or charity, and comprises a number of the City's activities including Open Spaces and Thames and Barking Power Stations.

d) Pension Fund

BDO would update the Committee at a later date on any changes to the risk profile.

RESOLVED, that – the audit planning reports be received and their contents noted.

The Chairman wished to place on record the Committee's thanks to Jeremy Mullins in the Chamberlain's Department who was retiring after 42 years of service to auditing in Local Government and over 18 years with the Corporation.

The Deputy Chairman of Finance wished Leigh-Lloyd Thomas all the best in his retirement from BDO and thanked him for his service to the Corporation.

The Chairman of Finance wished the Chamberlain all the best for his retirement and thanked him for his work with the Committee.

RESOLVED, that – the audit planning reports be received and their contents noted.

8. **INTERNAL AUDIT UPDATE (PROVISIONAL 12-MONTH PLAN DELIVERY OUTTURN)**

Members received a report of the Head of Audit & Risk Management in respect of the Internal Audit Update. The following points were noted:

- Follow up on the City of London School for Girls Cyber Security issue had resulted in the issue being closed;
- With respect to operational property, internal audit found that the Corporate Asset Sub-Committee was not provided with all necessary information to fulfil its remit as the main point of oversight;
- With response to concerns about operational property management, Members were advised that internal audit did identify good practice in City Surveyor's and in the operational property division, the issue is that this is not replicated consistently across the organisation.

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

9. **DEEP DIVE: CR17 SAFEGUARDING**

Members received a report of the Director of Community & Children's Services relative to a Deep Dive of the CR17 Safeguarding Risk.

The Director drew Members' attention to the risk register, noting that where the risk could not be reduced any further, the 'target date risk approach' would indicate 'accept'. This was a new approach implemented by the Corporate Risk Manager.

Safeguarding had been impacted by COVID-19 in terms of domestic violence, rough sleeping, student well-being at home and in school, and increased risk to vulnerable populations. The Department of Community & Children's Services focused on actions to mitigate risks, noting that the impact of an event would always be high.

Members drew attention to the responsibility of all Members as corporate parents. An all-Member corporate parenting training session would be offered in due course and all Members would be encouraged to attend.

- RESOLVED, that – the report be received and its contents noted.
10. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
There were none.
11. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
There was none.
12. **EXCLUSION OF THE PUBLIC**
RESOLVED, that – under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part I of the Schedule 12A of the Local Government Act.
13. **NON-PUBLIC MINUTES OF THE PREVIOUS MEETING**
RESOLVED, that – the non-public minutes of the meeting held on 13 January 2021 be agreed as a correct record.
14. **DEEP DIVE REVIEW OF CR35 - UNSUSTAINABLE MEDIUM-TERM FINANCES**
Members considered a report of the Chamberlain relative to a Deep Dive of CR35: Unsustainable Medium-Term Finances. The Deep Dive was considered in public session.

The Chamberlain drew attention to the external threats in terms of government policy, funding and reforms to business rates, and that these factors had been stress tested. The Chairman and Deputy Chairman of the Finance Committee had been consulted on the risk de-escalation as proposed in the recommendations. The rating could be re-escalated back to red in the future, if required.

Members were advised of an error on Appendix 1, page 200. The current risk rating score (as now recommended by officers) should be 12 (not 24).

RESOLVED, that – Members:

1. endorse the officer recommendation to adjust the RAG status from Red to Amber, in line with the target risk score, following the adoption of key mitigations; and,
2. note the proposal to retain the Police funding risk as a separate corporate risk for the next 6 months and then to consider whether to integrate into the wider finance risk, subject to progress on moving to sustainable budget plans.

*** The Committee agreed to extend the meeting. ***

15. **DISTRIBUTED DENIAL OF SERVICE INCIDENT AT THE CITY OF LONDON SCHOOL**
Members received a report in respect of the City of London School.

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

There were none.

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

There was none.

The meeting ended at 4.20 pm

Chairman

**Contact Officer: Chloe Rew
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AUDIT AND RISK MANAGEMENT COMMITTEE

Wednesday, 5 May 2021

Minutes of the meeting of the Audit and Risk Management Committee held virtually on Wednesday, 5 May 2021 at 2.30 pm

Present

Members:

Alexander Barr (Chairman)
Hilary Daniels (Deputy Chairman - External Member)
Rehana Ameer
Randall Anderson
Anne Fairweather
Marianne Fredericks (Ex-Officio Member)
Alderman Prem Goyal
Deputy Jamie Ingham Clark (Ex-Officio Member)
Gail Le Coz (External Member)
Paul Martinelli
Jeremy Mayhew (Ex-Officio Member)
John Petrie
Ruby Sayed
Dan Worsley (External Member)

In Attendance

Officers:

Chloe Rew	- Town Clerk's Department
Lorraine Brook	- Town Clerk's Department
Bukola Soyombo	- Chamberlain's Department

1. APOLOGIES

It was moved by Marianne Fredericks that Jeremy Mayhew takes the chair.

There were no apologies.

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

There were none.

3. ORDER OF THE COURT

Members received the Order of the Court of Common Council dated 15 April 2021 appointing the Committee and setting its Terms of Reference.

4. **ELECTION OF A CHAIRMAN**

Members elected a Chairman in accordance with Standing Order 29.

RESOLVED, that – being the only Member willing to serve, Alex Barr be elected as Chairman for the ensuing year.

5. **ELECTION OF DEPUTY CHAIRMEN**

In respect of the election of a Deputy Chairman (Member) in accordance with Standing Order 30, two candidates came forward to serve. An electronic ballot was conducted, and although the results indicated a winner, due to a procedural issue with the election made evident following the meeting, the result was declared void. A ballot would be conducted at the next meeting of the committee to determine the result of the election.

Members elected a Deputy Chairman (External) in accordance with a convention adopted by the Committee on 6 March 2018.

RESOLVED, that – being the only Member willing to serve, Hilary Daniels be elected as Deputy Chairman (External) for the ensuing year.

The meeting ended at 2.55 pm

Chairman

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AUDIT AND RISK MANAGEMENT COMMITTEE - Outstanding Actions – May 2021

Items from meeting held 13 January 2021		
AGENDA ITEM	Action	Officer and target date
5. WORK PLAN	The Informal Risk Challenge Session programme to be included in the work programme.	Town Clerk 23 March 2021 COMPLETED
8. INTERNAL AUDIT REVIEW OF OPERATIONAL PROPERTY MANAGEMENT – STATUS UPDATE	Findings of review to be presented to the Committee at its next meeting	Head of Audit and Risk Management Date: 23 March 2021 COMPLETED

Items from meeting held 3 November 2020		
AGENDA ITEM	Action	Officer and target date
13. UPDATE ON SMITHFIELD CANOPIES AND SUBSEQUENT REMEDIAL WORKS	Head of Audit and Risk Management to conduct internal audit of the Department for Markets & Consumer Protection and the City Surveyor's Department to determine risk ownership.	Head of Audit and Risk Management/ City Surveyor/ M&CP Date: 23 March 2021 COMPLETED

Items from meeting held 1 October 2020		
ITEM	Action	Officer and target date
14. Deep Dive – CR29: Information Management	Update to be brought to Committee regarding actions taken to address the risks associated with the Information Management Strategy (2018-2023) not fully being implemented.	Town Clerk/Chamberlain Date: 5 October 2021 * On forward plan for November 2021

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Audit & Risk Management Committee - Work Programme: 2021

25 May 2021	13 July 2021	5 October 2021	30 November 2021 (NEW DATE TBC – before Finance Committee on 2 nd November)
<u>Accounts and External Audit:</u> External Audit Panel Report External Audit Procurement Process	<u>Accounts:</u> Draft City Fund and Pension Fund Accounts	<u>Accounts:</u> Draft Bridge House Estates Accounts	<u>Accounts:</u> Draft City's Cash Accounts
<u>Deep Dive:</u> 1. CR16 Information Security (Chamberlain's) 2. CR34 COVID-19 (Town Clerk's)	<u>Deep Dive:</u> 1. CR30 Climate Action (Town Clerk's) 2. CR33 Major Capital Schemes (Town Clerk's/ City Surveyor)	<u>Deep Dive:</u> 1. CR01 Resilience (Town Clerk's)	<u>Deep Dive:</u> 1. CR20 Road Safety (DBE) 2. CR02 Loss of Business Support for the City (Town Clerk's) 3. CR29 Information Management (Chamberlain's)
<u>Risk Management:</u> Risk Management Update Risk Management Strategy	<u>Risk Management:</u>	<u>Risk Management:</u>	<u>Risk Management</u>

<p><u>Internal Audit and Anti-Fraud:</u></p> <p>Internal Audit Update (12-month plan delivery)</p> <p>Head of Internal Audit Annual Opinion</p> <p>Anti-Fraud and Investigations Annual Report</p>	<p><u>Internal Audit and Anti-Fraud:</u></p>	<p><u>Internal Audit and Anti-Fraud:</u></p>	<p><u>Internal Audit and Anti-Fraud</u></p> <p>Anti-Fraud & Investigations six-monthly update report</p>
<p><u>Governance:</u></p> <p>Sub-Committees Appointments Report</p> <p>Annual Report of the Committee</p>	<p><u>Governance:</u></p> <p>Annual Governance Statement</p>	<p><u>Governance:</u></p>	<p><u>Governance:</u></p>
<p><u>External Inspections:</u></p>	<p><u>External Inspections:</u></p>	<p><u>External Inspections:</u></p> <p>HMICFRS Report</p>	<p><u>External Inspections:</u></p>

Risk Challenge Session Schedule:

Note – Following the Committee’s decision on 14 July 2020, from September 2020 Informal Risk Challenge Sessions will be conducted virtually, and will take place once per month outside the of the committee schedule.

Month	Committee Date	Risk Challenge Date	Department
Apr-21	-	28 April 2021	Department of Community and Children’s Services
May-21	25 May 2021	12 May 2021	City of London School for Girls
Jun-21	-	2 June 2021	Comptroller and City Solicitor
Jul-21	13 July 2021	21 July 2021	Department of Open Spaces
Sep-21	-	8 September 2021	Barbican Centre
Oct-21	5 October 2021	13 October 2021	Mansion House/Central Criminal Court
Nov-21	30 November 2021	3 November 2021	Guildhall School of Music and Drama

* Department for the Built Environment session deferred from July 2020 and January 2021

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Committee Audit and Risk Management Committee	Dated: 25 May 2021
Sub-Committees Report	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	3, 8 and 10
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: Town Clerk & Chief Executive	For Decision
Report author: Chloe Rew, Committee and Members Services Officer	

Summary

The purpose of this report is to ask the Audit and Risk Management Committee to appoint the Nominations Sub-Committee and approve its composition and Terms of Reference; and to appoint one Member to serve on the Resource, Risk and Estates Committee of the Police Authority Board.

Recommendations

The Committee is asked to:

1. agree the appointment, composition and Terms of Reference of the Nominations Sub-Committee (up to 6 Members, including the Chairman and Deputy Chairman (Member) of the Grand Committee and at least one External Member, to give an independent perspective);
2. consider whether the Member appointed to the Resource, Risk and Estates Committee of the Police Authority Board should be a court Member or an external Member; and,
3. appoint one Member to the Resource, Risk and Estates Committee of the Police Authority Board.

Main Report

1. The purpose of this report is to consider the appointment of Members to the Nominations Sub Committee for 2020/21 and to approve its composition and Terms of Reference. Additionally, the Audit and Risk Management Committee is asked to appoint one of its Members to serve on the Resource, Risk and Estates Committee of the Police Authority Board.

Nominations Sub-Committee

2. At your Committee on 16 January 2018, Members agreed to establish a Nominations Sub-Committee. Its composition and Terms of Reference are included at Appendix 1. Nominations Sub Committee meetings are arranged as and when required, including for the purposes of reviewing applications and interviewing candidates.
3. Although the Terms of Reference state one external Member is to be appointed to the Sub-Committee in order to give an independent perspective, in recent years, two external Members have been appointed to the sub-committee.

Resource, Risk and Estates Committee of the Police Authority Board

4. Your Committee previously appointed two Members to the Performance and Resource Management Committee of the Police Authority Board. Due to the bifurcation of this Committee to the form the Strategic Planning and Performance Committee, and the Resource, Risk and Estates Committee, your Committee is now asked to appoint one Member to only the latter of the two.
5. Members are asked to consider if the appointed Member should be an external Member or Member of the Court of Common Council, as previously the precedent had been to appoint external Members.
6. Members are asked to indicate whether they wish to serve on the Resource, Risk and Estates Committee of the Police Authority Board. One Member will be appointed.

Corporate & Strategic Implications

7. The recommendations in this report relate to the following outcomes of the Corporate Plan:
 - 3. People have equal opportunities to enrich their lives and reach their full potential
 - 8. We have access to the skills and talent we need
 - 10. We inspire enterprise, excellence, creativity and collaboration.

Conclusion

8. Members are asked to note the contents of this report and consider the appointments, composition and Terms of Reference as set out in the recommendations and appendices.

Appendices

- Appendix 1 – Terms of Reference and Composition of the Nominations Sub-Committee of the Audit and Risk Management Committee

- Appendix 2 –Terms of Reference and Composition of the Resource, Risk and Estates Committee of the Audit and Risk Management Committee

Background Papers

- ‘Succession Planning for External Members: to appoint a Nominations Sub Committee of the Audit and Risk Management Committee’, report of the Town Clerk to the Audit and Risk Management, 16 January 2018

Chloe Rew

Committee and Members Services Officer

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Nominations Subcommittee: Current Membership 6

Up to 4 Members to be appointed by the Grand Committee (in addition to the Chairman and Deputy Chairman).

Meetings in 2019/20: there were no formal sub-committee meetings during this time. Virtual meetings were scheduled to review applications and hold interviews for a new external member whose term commenced on 1 April 2021.

1.1 The current composition is as follows:

1. Chairman of the Grand Committee
2. Deputy Chairman (Member) of the Grand Committee
3. Alderman Prem Goyal
4. Jamie Ingham Clark
5. Caroline Mawhood (external)
6. Dan Worsley (external)

1.2 Terms of Reference and Composition of the Nominations Sub Committee

Membership: 5 or 6 Members, including the Chairman and Deputy Chairman (Member) of the Grand Committee and one External Member, to give an independent perspective.

1. To make recommendations to the Audit and Risk Management Committee on the appointment of all External Members to the Committee.
2. To undertake Skills Audits of the Committee periodically (or analyse information from the Committee Effectiveness Survey) to inform the appointment of External Members to the Committee.
3. To consider the most appropriate way to recruit External Members to the Committee, including the placing of advertisements or the use of personal contacts.
4. The Sub Committee will have advisory powers only and make recommendations to the Board.

Resource, Risk and Estates Committee

Composition

- Up to five Members of the Police Authority Board appointed by the Police Authority Board, in addition to the Chairman and Deputy Chairman;
- One co-opted Member to be appointed by the Audit and Risk Management Committee; and
- Up to two co-opted Members to be appointed by the Police Authority Board.
- The Chairman of Finance Committee or their nominee.
- One external independent member, to be appointed by the Police Authority Board.

Frequency of meetings

- The Committee shall meet four times per annum.

Quorum

Any three members

Terms of Reference

To be responsible for:

Finance, Risk, Estates and Change

- a. Overseeing the Force's resource management in order to maximise the efficient and effective use of resources to deliver its strategic priorities including workforce planning, monitoring in-year financial performance against revenue and capital budgets, scrutiny of proposed revenue and capital budgets and the Medium Term Financial Plan;
- b. Scrutinising and recommendations around capital spend and other investment programmes.
- c. Overseeing of commercial projects;
- d. Overseeing of Risk;
- e. Scrutinising of internal audit reporting and implementation of recommendations.
- f. Overseeing major change programmes including Transform;
- g. Scrutinising of Estates strategy requirements
- h. Making recommendations to the Police Authority Board or Commissioner, where necessary.

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Committee(s)	Dated:
Audit and Risk Management Committee	25/05/2021
Subject: Annual Report of the Audit and Risk Management Committee	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	N/A
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: The Town Clerk	For Decision
Report author: Chloe Rew, Town Clerk's Department	

Summary

The Chairman of the Audit and Risk Management Committee presents to the Committee the 2020/21 Annual Report of the Audit and Risk Management Committee, reporting on activity up to 31 March 2021.

Recommendation

Members are asked to agree the 2020/21 Annual Report of the Audit and Risk Management Committee at Appendix 1 for onward submission to the Court of Common Council.

Main Report

1. The report at Appendix 1 outlines the Committee's progress during 2020/21 in relation to its key areas of remit, including the Annual Governance Framework, Internal Audit, Risk Management, Anti-Fraud, External Audit and Financial Reporting.

Appendices

- Appendix 1 – 2020/21 Annual Report of the Audit and Risk Management Committee

Chloe Rew

Committee and Members Services Officer

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AUDIT & RISK MANAGEMENT COMMITTEE

Annual Report 2020/21

Summary

1. This report summarises the work of the Audit and Risk Management Committee and outcomes achieved during 2020/21 in relation to its key areas of remit, including the Annual Governance Framework, Internal Audit, Risk Management, Anti-Fraud, External Audit and Financial Reporting. Headline outcomes include:
 - Adding greater depth to the oversight and scrutiny of effective risk management through the Informal Risk Challenge Process
 - Challenging and supporting the organisation in its response to the COVID-19 pandemic
 - Supporting the process to ensure that Internal Audit activity is focussed towards areas of most significant risk

Introduction

2. The Audit & Risk Management Committee (the Committee) has a wide-ranging but focused brief that underpins the City of London Corporation's governance processes. It does this via structured independent challenge and oversight of the adequacy of enterprise and departmental risk management, in addition to the internal controls and financial reporting frameworks. It also deals with a limited number of matters not reserved to the Court of Common Council or delegated to another Committee and related to a non-executive function. The Committee was formed as a Grand Committee in 2011, replacing the former Audit Sub-Committee (Finance).
3. The Audit and Risk Management Committee scrutinises the risk management process of the City Corporation and has been responsible for the evolution of risk management organisation wide. It has increased the engagement with 'risk management' as a subject matter, both on the part of Officers within departments, and also elected Members through a process of "deep dive" reviews of significant risks (in public session) and Informal Risk Challenge Sessions (IRC) (in non-public session).
 - The deep dive reviews have resulted in the re-evaluation of risks to ensure that mitigating actions are given the appropriate priority. A dynamic and adaptable approach is used to identify which departments should be subject to the deep dive process
 - The IRC process has been fully revamped, with new strategic focus on departments' end to end risk processes (identification, management, ownership, mitigation) and risk culture. The committee leadership, together with the Head of Audit & Risk Management have built a new reporting format which now provides hitherto unavailable information to Committee members and supports clear understand of departmental challenges and

clearly identifies where risks need to be developed and / or adopted. With a number of Chief Officers now having undergone this process, initial feedback supports that this a highly collaborative, helpful and welcomed process. The IRC process will continue in virtual format post-easing of national lockdown restrictions, the format being found to be particularly helpful

4. The Committee has also improved engagement with the work of Internal Audit through regular monitoring of the implementation of Internal Audit recommendations. The Committee oversees the planning and delivery of the External Audit review of the Annual Accounts produced by the City of London Corporation across all operations.
5. This report details the work of the Committee for the period from 1 April 2020 to 31 March 2021 and outlines work in relation to the key remit areas of:
 - Annual Governance Framework
 - Internal Audit
 - Risk Management
 - Counter-Fraud
 - External Audit
 - Financial Reporting
6. Members of the Committee have a wide range of skills in many technical and professional areas, bringing significant experience and expertise to the Committee. All the Members have some experience in relation to the governance processes they challenge. This is supported by a regular skills gap analysis undertaken by the Nominations Sub-Committee. The Committee is comprised of 13 Members, plus three external members who provide additional knowledge and skills to support the function. Table 1 sets out the Committee Members during 2020/21.

Table 1: Members of the Audit & Risk Management Committee 2020/21

Alexander Barr (Chairman)
Hilary Daniels (Deputy Chairman – External Member)
Alderman Ian Luder (Deputy Chairman - Member)
Randall Anderson
Chris Boden
Anne Fairweather
Marianne Fredericks (Ex-Officio Member, Policy and Resources Committee Representative)
Alderman Prem Goyal
Deputy Jamie Ingham Clark (Ex-Officio Member, Finance Committee, Deputy Chairman)
Paul Martinelli
Caroline Mawhood (External Member)
Jeremy Mayhew (Ex-Officio Member, Finance Committee, Chairman)
Andrien Meyers
John Petrie
Ruby Sayed
Dan Worsley (External Member)

7. The three external members are each appointed for a three-year term, which can be renewed twice. Caroline Mawhood's final term ended on 31 March 2021. A nominations sub-committee, cognisant of the skills audit undertaken by members of the Committee, was appointed to oversee the appointment of a replacement external member, and Gail Le Coz was recommended for appointment. Ms Le Coz' appointment was ratified by the Court of Common Council on 4 March 2021 and she took up her role on 1 April 2021.

Changes Within the Year

8. The COVID-19 pandemic continued to impact the operations of the City of London Corporation. The working practices of the Committee transitioned successfully to virtual/online operation without impacting adversely the work of the Committee. Assessments of the risks presented by the pandemic, directly and indirectly, enterprise wide, and at a departmental level formed a material part of the Committee's works during the year. The Committee held in June 2020 a deep dive review of the City's Corporate Risk in relation to COVID-19, examining the approach to managing the risk, the detail of the risk itself and the mitigation of this risk. In light of the dynamic and evolving nature of the risk, the Committee maintained this interest, picking up service level issues as part of the following cycle of IRC sessions. A further related deep dive took place in November 2020, examining the Corporate Health, Safety and Wellbeing risk, with a particular focus on the impact of COVID-19; the impact of remote working and those steps taken to manage the risk of transmission where a physical officer presence has been required throughout the pandemic.

Annual Governance Framework

9. On 2 June 2020, the Committee received a report on the annual update of the City Corporation's governance and internal control framework. The Accounts and Audit (England) Regulations 2015, which apply to the City of London's City Fund activities, require an audited body to conduct a review, each financial year, of the effectiveness of its system of internal control, risk management and governance and publish an Annual Governance Statement (AGS) each year, alongside the authority's Statement of Accounts.
10. The Committee approved the Annual Governance Statement 2019/20 for signing by the Chairman of the Policy and Resources Committee and the Town Clerk and Chief Executive.

Internal Audit

11. The Committee received the Head of Audit & Risk Management's Annual Audit Opinion for the year ended 31 March 2020 in June 2020:

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

12. The Audit Plan is aligned to the City's corporate and departmental objectives and key risks so that assurance can be obtained on these areas. Internal Audit's work identified a number of opportunities for improving controls and procedures, with a "Limited (Red) Assurance" opinion having been provided in six cases. Those recommendations raised have been accepted by management.
13. The Internal Audit Plan for 2020/21 was subject to review throughout the year recognising the impact that the COVID-19 pandemic has had on frontline service delivery and also to reflect significant changes to the resourcing levels of the Internal Audit Team. The amendments to the Audit Plan were made having given due consideration to the system of prioritisation agreed by the Committee when approving the initial plan at the start of the year.
14. Following a series of related incidents arising from structure failure at the Smithfield market, the Committee leadership dynamically liaised with the Chairs of Policy and Resources and Markets, actively engaged with the City Surveyor and commissioned an Internal Audit review of Operational Property Management (across the City's operational property portfolio). The Committee was instrumental in building engagement for this assignment and support for the recommendations made. The Audit highlighted significant systemic risk in relation to the organisation's approach to maintaining its operational property assets, and a management action plan is in place to mitigate these risks.
15. The Audit & Risk Management Committee has continued to support and drive departmental engagement in relation to the follow-up work of Internal Audit to assess the implementation of recommendations. There have been no instances in 2020/21 where the Committee has needed to escalate the matter of weak implementation and/or poor departmental compliance with the follow-up process to relevant Chief Officers and the Chairmen of the respective Committees. This is a key indicator of the effectiveness of the amended follow-up process approved previously by the Committee.

Risk Management

16. The Committee is responsible for monitoring and overseeing the City of London Corporation's risk management strategy and to be satisfied that the authority's assurance framework properly reflects the risk environment. The strategy was reviewed and updated during 2019/20. (The strategy is due for review and endorsement at the May 2021 Committee meeting)
17. The City Corporation's Risk Management strategy includes a Policy Statement and a framework, which aligns with the key principles of ISO 31000: Risk Management Principles and Guidelines and defines clearly the roles and responsibilities of officers, senior management and Members.
18. The Strategy emphasises risk management as a key element within the City's systems of corporate governance and establishes a clear system for the evaluation of risk and escalation of emerging issues to the appropriate scrutiny level. The Strategy assists in ensuring that risk management continues to be

integrated by Chief Officers within their business and service planning and aligned to departmental objectives.

19. During 2020/21, the Committee has exercised its oversight role in a number of ways:
 - Receiving quarterly risk update reports in relation to the corporate and red departmental level risks
 - Endorsing new corporate risks flagged by management
 - Deep-dive review of individual corporate risks of which ten were considered by the Committee in 2020/21
 - Operating a cycle of regular departmental risk challenge sessions with Chief Officers and their respective Committee Chairmen, of which, six were held in 2020/21
20. The Committee reviewed the informal risk challenge process in July 2020. This has resulted in a greater focus by the Committee on the department's risk processes and arrangements. Format changes were also initiated to allow more frequent sessions being held (usually monthly) and that they take place separately (and virtually) from being held on Committee meeting dates – the previous practice. The new arrangements became effective from September 2020 and the Committee have undertaken six informal risk challenge sessions since that time.
21. Chief Officers have commented that risk challenge sessions have been helpful in highlighting issues which are of concern to them. The Committee have also encouraged (or suggested) changes to existing risk processes within departments (for example in the City of London School and City Surveyor's department), bringing these into closer alignment with the Corporate Risk Management framework.
22. The Committee has received ten deep-dive reports, including the COVID-19, Climate Action, Air Quality, Safeguarding and financial planning.

Counter-Fraud

23. During 2020/21, the Corporate Anti-Fraud team completed 26 investigations across all fraud disciplines, with an associated value of £158k.
24. Social housing tenancy fraud is a key fraud risk area for the Corporate Anti-Fraud team and a concern for the Committee, and whilst the COVID pandemic has impacted work in this area during 2020/21, seven successful outcomes were secured composing of; the recovery of two illegally occupied properties and, identification of five fraudulent housing applications preventing the allocation of fraudulent tenancies in all five cases.
25. The Corporate Anti-Fraud Team delivered a programme of pre- and post-payment assurance activity in respect of the COVID business support grants administered by the City Corporation during 2020/21, identifying three cases where grants were paid to ineligible businesses resulting in the recovery of £25,200. Enhanced

vetting supported decisions not to award grants to six businesses deemed ineligible for COVID business support.

Financial Reporting

26. The Audit and Risk Management Committee has scrutinised the Corporation's various 2019/20 financial statements, seeking assurances on significant financial reporting issues, estimates and judgements. Reports have been received from both the External Auditors and the Audit Panel. The Committee has held the External Auditors to account to drive effective delivery of the audit and continues to support realisation of the ambition to achieve improved efficiency through greater consistency and a more joined up approach across all funds. In particular, the Committee challenged the External Auditor in relation to delays in the delivery of the Audits, although noting the challenges presented by the COVID-19 pandemic.
27. Having completed its review, the Audit and Risk Management Committee recommended approval of the 2019/20 statements to the Finance Committee as follows:
- Bridge House Estates statements were approved at the October 2020 Committee meeting
 - City Fund and Pension Fund statements were approved at the November 2020 Committee meeting
 - Statements for City's Cash, the City's Cash Charities (seven Open Spaces charities and Sir Thomas Gresham Trust) and the other Sundry Trusts were approved at the November 2020 Committee meeting

Other Work of the Committee

28. In December 2020, the City hosted the third meeting of the Chairs of the London Borough Audit Committees, seeking to share knowledge, experiences and best practice, and to explore the development of joint initiatives such as member training and performance benchmarking. The meeting was again well received by the Chairs and there was widespread demand for this network to meet more frequently; a further meeting was arranged and held in April 2021.

Committee(s)	Dated:
Audit and Risk Management Committee	25/05/2021
Subject: Head of Audit and Risk Management Annual Opinion	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	N/A
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain’s Department?	N/A
Report of: Head of Audit and Risk Management	For Information
Report author: Matt Lock	

Summary

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

The following opinion is provided for the 12 months ended 31 March 2021:

*“I am satisfied that sufficient quantity and coverage of Internal Audit work has been undertaken to allow me to draw a reasonable conclusion as to the adequacy and effectiveness of the City’s risk management, control and governance processes. In my opinion, **the City has adequate and effective systems of internal control in place to manage the achievement of its objectives**. In giving this opinion, it should be noted that assurance can never be absolute and, therefore, only reasonable assurance can be provided that there are no major weaknesses in risk management, governance and control processes. The matters raised by Internal Audit are only those which came to my attention during the course of our Internal Audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.*

Notwithstanding the overall opinion, Internal Audit’s work identified a number of opportunities for improving controls and procedures which are documented in each individual audit report to management.”

Recommendation(s)

Members are asked to:

- Note the report.

Main Report

Background

1. The Accounts and Audit Regulations 2015 came into effect on 1 April 2015 and require the City to undertake an effective Internal Audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account Public Sector Internal Auditing Standards and associated guidance.
2. The professional responsibilities of Internal Auditors are set out within the Public Sector Internal Audit Standards (PSIAS) produced by the Internal Audit Standards Advisory Board. Supplementary guidance is also provided by CIPFA in their “Local Government Application Note”.
3. The work of Internal Audit forms the basis of an Annual Head of Internal Audit Opinion which is part of the framework of assurances that is received by the City of London Corporation and helps to inform the Annual Governance Statement. Internal Audit also has an independent and objective role to support management in improving governance, control and risk management through the provision of advice and guidance.
4. This report summarises the overall outcomes from Internal Audit work during 2020/21. The report does not include detail in relation to the findings of individual audit reviews, as previously reported to the Audit and Risk Management Committee during the year as part of the routine Internal Audit Update reports.

Basis of Annual Opinion

5. In forming an annual opinion, the Head of Internal Audit and Risk Management has considered:
 - Work completed by the Internal Audit team throughout the year, key issues arising from this and assurance opinions provided
 - Management responses to Internal Audit work, with particular attention to the acceptance of recommendations made to address significant issues (no exceptions reported)
 - Progress made by management in implementing Internal Audit recommendations
 - The effects of any significant changes in the City’s objectives, systems or external factors
 - Any limitations which may have been placed on the scope of Internal Audit

This report is supported, at **Appendix 1**, by a summary of all Internal Audit work from 2020/21.

Head of Internal Audit Annual Opinion

6. The Head of Internal Audit and Risk Management is satisfied that the breadth of scope and overall quantity of Internal Audit work undertaken is sufficient to be able to draw a reasonable conclusion as to the adequacy and effectiveness of the City Corporation’s control, governance and risk management processes. A total

of 58 Internal Audit reviews were completed in 2020/21, this represents 90% of all planned work.

7. A number of reviews were removed from the original 2020/21 plan to accommodate a reduction in the overall level of resources available to Internal Audit. Those reviews removed were assessed as low priority and the amendments made have been reported to Audit and Risk Management Committee during the year. This has not had an overall detrimental impact on the ability to provide an annual opinion.
8. On the basis of work undertaken, **it is the Head of Audit and Risk Management's opinion that the City of London Corporation has adequate and effective systems of internal control in place to manage the achievement of its objectives.** In giving this opinion, it should be noted that assurance can never be absolute and, therefore, only reasonable assurance can be provided that there are no major weaknesses in these processes or that no fraud exists within the systems and processes examined or, indeed, those not examined.
9. Notwithstanding the overall opinion, Internal Audit's work identified a number of opportunities for improving controls and procedures, set out in our Audit reports to management. The range of assurance levels provided in our audit coverage and the number of Red, Amber and Green priority recommendations made is summarised below, with a more detailed analysis at Appendix 1.

Total Reviews Completed:	58
Red Assurance Ratings	3
Amber Assurance Ratings	28
Green Assurance Ratings	27
Total Recommendations Raised	257
Red Recommendations	11
Amber Recommendations	158
Green Recommendations	88

10. While the number of individual Red, Amber and Green assurance ratings provided is key in forming the Head of Internal Audit annual opinion, there are other factors that must be considered: Responses from management to Audit reviews; the integrity of action/recommendation implementation plans and the timescales agreed for resolving issues raised. Internal Audit reports have been well received and management action plans have been suitably robust. It should also be noted that the current audit follow-up regime results in a prompt second look at the risks and issues raised and, in many cases, provision of a revised (and improved) assurance opinion.
11. Internal Audit follow-up work to verify the implementation of recommendations made has been successful, the team undertaking over 50 follow-up reviews and providing Green revised assurance opinions in 36 cases. While some progress

had been made in the remaining instances, further follow-up work will be completed before closing these audits.

External Factors Having a Bearing on the Annual Opinion

12. The escalation of the COVID-19 pandemic and the nationwide response to the outbreak resulted in the activation of departmental business continuity arrangements and an organisation wide change in priorities. While the organisation has developed new ways of working, the pandemic has impacted delivery against the 2020/21 Internal Audit Plan; the team paused audit activity in a number of areas to avoid overloading front line services and also needed to adopt our own new ways of working. The resources available to the team were also significantly reduced as a result of our third-party partner provider of Internal Audit Services furloughing a significant element of its workforce. The 2020/21 plan was reduced accordingly to reflect this.
13. Both Member and Officer governance has operated differently during 2020/21, these changes will be reflected fully in the Annual Governance Statement, but are noteworthy for this report:

Member Governance:

After a successful initial emergency response with informal Committee meetings being held, the City of London was quick to establish virtual meetings using MS Teams and these have proven to be effective in operation. The increased use of technology has made it easier for Members to raise questions and comment on items of business and Committee meetings are now far more accessible to the public as a result of the live-streaming and subsequent publishing of recordings on YouTube.

Officer Governance:

The City of London has maintained a Gold Command structure throughout the pandemic, replacing Summit Group and its sub-groups. Departmental and service level Leadership teams have operated as per the direction of their Chief Officer.

Risk Management:

The Informal Risk Challenge process was refined to make this suitable for virtual meetings. This has introduced greater rigour and consistency in the process, which further ensures the effective oversight of risk management by this Committee. The Chief Officer Risk Management Group (CORMG) has not met regularly over the past year, while items of business have been considered via correspondence, it is worth noting that the richness and depth of discussion is diminished in the absence of face to face (albeit virtual) meetings.

Review of Performance

14. The Internal Audit team aims to maintain a high level of quality in the delivery of their work. Key outcomes were:
 - The Internal Audit team achieved delivery of 90% of the 2020/21 audit plan, despite the impact of the COVID-19 Pandemic

- Only 7 items of work have been carried forward into 2021/22 (compared to 11 in the previous year, 26 the year before)
- Remote working has introduced some new approaches to work, some of which are more efficient (e.g. convening meetings and removal of travel time) others less so (e.g. delays from departments owing to reliance on email for sharing information)
- A greater degree of rigour was introduced to the monitoring and oversight of delivery of the audit plan, this has expedited delivery in the second half of the year and will continue to be applied in future years

Conformance with the Public Sector Internal Audit Standards

15. The Public Sector Internal Audit Standards require an External Quality Assessment to be undertaken at least once every 5 years. The most recent review, completed 2017-18, confirmed that the Internal Audit function at the City Corporation *Generally Conforms* to the Public Sector Internal Audit Standards. The Standards require periodic self-assessment in the intervening years, this has been completed in April 2021 by the Head of Audit and Risk Management, using the CIPFA “Checklist for Assessing Conformance with the PSIAS and the Local Government Application Note”. The self-assessment found, similarly, that the Internal Audit function *Generally Conforms* to the standards.

Corporate & Strategic Implications

1. The Internal Audit Plan is designed to provide assurance as to the adequacy of the City of London Corporation’s systems of internal control and governance. This programme of activity is aligned with the Corporate Plan, Corporate Risk Register and Departmental Top Risks.

Conclusion

16. While Internal Audit work continues to identify improvement areas for management, the overall opinion provided on the City’s internal control environment is that it remains adequate and effective. There is a high level of acceptance of recommendations made.

Appendices

- Appendix 1 – Summary of Completed Audit Work

Matt Lock

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Department/Audit	Assurance Rating	Recommendations Made		
		Red	Amber	Green
Community and Children's Services - Adult Skills and Education Service Safeguarding	Red	3	9	1
Chamberlain's IT - Software Lifecycle Management	Red	1	1	0
Chamberlain's IT - Legacy Technology	Red	1	1	1
Chamberlain's IT - Business Continuity and Disaster Recovery	Amber	0	4	0
City of London Police - Transform Phase 2	Amber	0	12	0
City Surveyor's - Rents, Lettings and Vacancies	Amber	0	2	2
City Surveyor's - Operational Property Management	Amber	6	3	0
Community and Children's Services - Lone Working	Amber	0	5	2
Guildhall School of Music and Drama - Guildhall Young Artists	Amber	0	8	2
Barbican Centre - Facilities Management	Amber	0	13	1
Barbican Centre - Security	Amber	0	4	2
Corporate HR - Gender/Equalities Pay Gap Reporting	Amber	0	3	1
Barbican Centre - DATA SECURITY	Amber	0	2	4
City of London Freeman's School - KEY CONTROLS	Amber	0	2	0
Sir John Cass School - CHILDREN & FAMILY CENTRE	Amber	0	1	0
Sir John Cass School - KEY CONTROL PROCESSES	Amber	0	5	1
City Surveyor's - FRAUD RISK MANAGEMENT	Amber	0	3	1
Open Spaces - INCOME CHECKS	Amber	0	5	5
City of London Police - PAYROLL AND OVERTIME	Amber	0	4	0
Community and Children's Services - DIRECT PAYMENTS	Amber	0	7	1
City of London Police - PREMISES EXPENDITURE	Amber	0	11	2
Chamberlain's IT - SharePoint/Digital Content Management	Amber	0	3	1
Markets and Consumer Protection - Heathrow Animal Reception Centre and Animal Welfare	Amber	0	5	6
Barbican Centre - Bars	Amber	0	5	1
Barbican Centre - Corporate Membership and Sponsorship	Amber	0	3	1
Community and Children's Services - Housing Tenancies	Amber	0	2	5
Community and Children's Services - Housing Safety	Amber	0	3	2
Corporate Wide - Asset Management	Amber	0	1	2
City of London Police - Key Financial Controls	Amber	0	1	0

Department/Audit	Assurance Rating	Recommendations Made		
		Red	Amber	Green
Community and Children's Services - Housing Fire Safety	Amber	0	6	1
Open Spaces Department - Wayleaves	Amber	0	7	3
Built Environment - Gigabit City	Green	0	2	4
Chamberlain's - Accounts Receivable and Debt Management	Green	0	1	2
Chamberlain's - Supplier Resilience	Green	0	1	0
Community and Children's Services - Rough Sleepers	Green	0	0	1
Corporate Wide - Recruitment Moratorium	Green	0	0	3
Guildhall School of Music and Drama - Medium Term Financial Planning	Green	0	1	0
Corporate Wide - Climate Action/Air Quality	Green	0	0	0
Town Clerks - Social Media	Green	0	0	1
Chamberlain's - COUNCIL TAX	Green	0	0	1
Barbican Centre - ARTISTIC EVENTS DECISION-MAKING & EVALUATION	Green	0	0	0
Corporate Wide - HIGHWAYS REPAIRS AND MAINTENANCE CONTRACT	Green	0	2	0
Chamberlain's - BUSINESS RATES	Green	0	0	3
Chamberlain's - IT SERVICE MANAGEMENT (ITIL)	Green	0	0	4
Chamberlain's - PENSION FUND INVESTMENT	Green	0	2	0
Chamberlain's IT -Direct Access	Green	0	1	2
City of London Police - Grant Funding	Green	0	0	0
City of London Police - Workforce Planning	Green	0	0	5
Guildhall School of Music and Drama - Internationalisation	Green	0	0	2
Chamberlain's - Development of a Corporate Finance Strategy - Debt Financing	Green	0	0	0
Corporate Wide - P-Cards	Green	0	3	10
Chamberlain's - Payroll	Green	0	1	0
City of London Police - P-Cards	Green	0	0	2
Police Authority - Grant Funding	Green	0	0	0
City of London Police - Financial Forecasting	Green	0	3	0
Total		11	158	88

Committee(s)	Dated:
Audit and Risk Management Committee	25/05/2021
Subject: Internal Audit Progress Report	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	N/A
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: Head of Audit and Risk Management	For Information
Report author: Matt Lock	

Summary

This report provides an update on Internal Audit activity since the last Internal Audit Update Report presented to this Committee in March 2021. The report summarises work completed since the previous update and summarises overall progress against the 2020/21 Internal Audit Plan. Despite the impact of the COVID-19 Pandemic, 88% of planned Internal Audit work for 2020/21 was completed to at least draft report stage.

During the final weeks of the year, resources were focussed on completion of full audit reviews rather than follow-up reviews, as such there is nothing further to report at this time on the status of implementation of Audit recommendations.

Recommendation(s)

Members are asked to:

- Note the report.

Main Report

Background

1. This report provides a cumulative update on the work of Internal Audit since 1 April 2020, building on the progress report made to the last update provided to the Audit and Risk Management Committee on 23 March 2021. The report also summarises the findings of work completed since the March update.

Current Position

2. 13 Final Audit Reports have been issued since the January update, bringing the total to 53 since 1 April 2020. 6 Green Assurance ratings were given, 6 Amber

Assurance ratings and 1 Red Assurance Rating. Those audit reviews are summarised in the table below:

Department/Audit	Assurance Rating	Recommendations Made		
		Red	Amber	Green
Built Environment - Gigabit City	Green	0	2	4
Chamberlain's - Accounts Receivable and Debt Management	Green	0	1	2
Chamberlain's - Supplier Resilience	Green	0	1	0
Chamberlain's IT - Business Continuity and Disaster Recovery	Amber	0	4	0
City of London Police - Transform Phase 2	Amber	0	12	0
City Surveyor's - Rents, Lettings and Vacancies	Amber	0	2	2
City Surveyor's - Operational Property Management	Amber	6	3	0
Community and Children's Services - Adult Skills and Education Service Safeguarding	Red	3	9	1
Community and Children's Services - Lone Working	Amber	0	5	2
Community and Children's Services - Rough Sleepers	Green	0	0	1
Corporate Wide - Recruitment Moratorium	Green	0	0	3
Guildhall School of Music and Drama - Medium Term Financial Planning	Green	0	1	0
Guildhall School of Music and Drama - Guildhall Young Artists	Amber	0	8	2

3. Appropriate management action plans are in place to address recommendations made. Briefings on the above have been circulated to Members of the Committee.

Community and Children's Services - Adult Skills and Education Service Safeguarding:

4. This Audit reviewed the arrangements in place in respect of:
- Identification and communication of safeguarding requirements.
 - Implementation and maintenance of policies and procedures.
 - Monitoring safeguarding compliance and completion of corrective action (including mechanisms for obtaining assurance that third parties/partner organisations are meeting their responsibilities)
 - Ensuring clear accountability, escalation and reporting to facilitate effective oversight of safeguarding activities to measure that activities are having the intended impact

5. The key findings of the Audit were:

- There is a strong focus within the ASES team on building relationships with learners so as to promote a culture of openness, where individuals feel comfortable making approaches for information or raising concerns with staff
- Accountabilities for corporate Safeguarding and local ASES arrangements are clear
- A potential single point of failure for safeguarding arrangements exists within ASES
- Controls can be improved to ensure the prompt identification and communication of safeguarding requirements to relevant parties
- Copies of contractual agreements supplied for a sample of learning providers did not adequately reflect the responsibilities of each party for safeguarding or the arrangements to mitigate the risk where there is conflict between safeguarding policies
- Limited evidence was supplied to Internal Audit of activities to obtain assurance that third party responsibilities are being met
- There are clear accountability and reporting processes in respect of safeguarding concerns, although recommendation was made to enhance arrangements by clarifying the process for escalation where concerns are not being addressed adequately
- There is scope to strengthen risk management arrangements by ensuring that safeguarding risk assessments are documented fully and on a timely basis
- Internal Audit was advised that there have been no safeguarding incidents within 2020/21 and as such no testing of the practical handling of such incidents could be carried out

6. The overall Red assurance rating reflects the significant impact should a safeguarding failure occur, the Director of Community and Children's accepted all recommendations made and has provided an appropriate action plan. Progress has already been made in relation to; the review and booking of safeguarding training for key staff/board members, cover arrangements for the Designated Safeguarding Lead, expansion of the board and the process/timeline for updating the local safeguarding policy in-line with the Corporate policy. A follow-up review will be undertaken in August 2021.

Delivery of Planned Internal Audit Work

7. In addition to the finalised audits referred to above, 2 draft reports were issued, work was partially complete for the remaining 7 planned Audit Reviews, fieldwork was at various stages of completion. This outstanding work has been subsumed within the audit plan for 2021/22 and will be reported on within subsequent updates to this Committee. Overall Audit Plan delivery is summarised in the table below:

2020/21 Audit Plan

		Audit Review Status	Count	Percentage of Count	Audit Days
Work in Progress		Final Report	53	82%	409
		Draft Report	5	8%	81
		Fieldwork Complete	0	0%	0
		Fieldwork in Progress	7	10%	84
		Terms of Reference Issued	0	0%	0
		Planning	0	0%	0
		Not started	0	0%	0
		Total	65	100%	574
Notes: reflects amendments to plan					

Internal Audit Follow-up Activity

8. During the final weeks of the year, resources were focussed on completion of full audit reviews rather than follow-up reviews, as such there is nothing further to report at this time on the status of implementation of Audit recommendations. The programme of follow-up work recommenced in April.

Corporate & Strategic Implications

9. The Internal Audit Plan is designed to provide assurance as to the adequacy of the City of London Corporation's systems of internal control and governance. This programme of activity is aligned with the Corporate Plan, Corporate Risk Register and Departmental Top Risks.

Conclusion

10. After initial delays to the delivery of work against the 2020/21 Internal Audit Plan as a result of the COVID-19 pandemic, Internal Audit work progressed at pace. The final outturn position is completion of 88% of all planned work to at least draft report stage. This work is sufficient to inform the Head of Audit and Risk Management Annual Opinion, the subject of a separate report to this meeting of the Audit and Risk Management Committee.

Appendices

- None

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Committee(s)	Dated:
Audit & Risk Management Committee	25 May 2021
Subject: Anti-Fraud & Investigations – 2020/21 Annual Report	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	N/A
Does this proposal require extra revenue and/or capital spending?	N/A
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain’s Department?	N/A
Report of: Head of Audit & Risk Management	For Information
Report author: Chris Keesing, Corporate Anti-Fraud Manager	

Summary

In total 26 investigations, across all disciplines, have been completed during the reporting year with an associated value of £157,988. This is a 42% reduction in the volume of completed investigations when measured against the 2019/20 reporting year, and primarily relates to a 40% reduction in tenancy fraud and sub-letting referrals during the COVID pandemic.

A return to some traditional methods of investigation and an increased presence on the City’s housing estates as COVID restrictions ease, along with our ongoing review of the NFI matches is expected to produce a higher volume of referrals and outcomes during 2021/22.

The COVID-19 pandemic has impacted the work of the team, shifting the focus of some work to proactive prevention rather than recovery. An increase in the number of referrals in non-traditional fraud risk areas has been notable and whilst some have not resulted in any financial outcome or recovery, these have led to an increased awareness and better understanding of fraud risks in these areas.

The team has responded positively to emerging fraud risks resulting from the pandemic, specifically:

- Providing advice and guidance in respect of key corporate initiatives and to front line service providers in relation to COVID financial support provided by the City Corporation.
- Post-payment assurance activity in relation to COVID Business Grants.
- Investigation support and guidance in respect of City Bridge Trust funded charity concerns.

Recommendation(s)

- Members are asked to note the report.

Main Report

Background

1. This report provides Members with an update on the activity of the Anti-Fraud and Investigation team during the 2020/21 reporting year. It also provides Members with an update against key anti-fraud initiatives and emerging risks.

COVID-19 Support and Response

2. The COVID-19 pandemic resulted in a shift from some of the work undertaken by the team, impacting traditional ways of working and resulting in a sustained period where visiting activity has not been possible for social housing tenancy fraud investigations and Council tax investigations. Despite the challenges presented by the pandemic the team has identified and embraced new ways of working wherever possible through smarter use of technology whilst identifying and reacting to emerging fraud risks relating to the COVID-19 financial support administered by the City Corporation.
3. The team have continued to support the City Revenues division, primarily through post payment assurance activity in respect of the COVID business support grants administered by the City, and through standalone investigations where concerns have been identified through the assessment of grant applications. During the reporting year our investigations identified three COVID business grants paid to businesses that were ineligible. The value of these grants amounted to £25,200 and all have been subject to recovery action as a result of the investigations. In addition, our enhanced checks have supported decisions made by City Revenues colleagues not to award grants to six businesses deemed ineligible for COVID business support.
4. The team supported the development of the City of London Recovery Grant Fund through advice and information in respect of fraud risks and data processing. A programme of post payment assurance work has been agreed and will focus on matching application data against National Fraud Initiative (NFI) data sets to identify any concerns for further review.

Investigation Activity Summary

5. An analysis of the number of cases investigated during the 2020/21 reporting year compared to the 2019/20 reporting year can be found at Appendix 1 to this report, showing all fraud types along with the value of frauds detected. Despite the current challenges to traditional ways of working and the shift in focus during the COVID pandemic, our investigations have progressed well, with the associated value of identified fraud from the 26 completed investigations during this period amounting to £157,988.

Corporate Investigation Activity

6. In addition to the COVID business grants investigations detailed above, the team supported four City Bridge Trust investigations relating to allegations of financial misappropriation during the reporting year. A summary of these investigations can be found below:

Nature of Concern	Outcome Summary
Allegation of double funding, collusion with CBT Officers to secure grant funding, and that CBT funds have not been used for the intended purpose	Comprehensive investigation of the charities use of CBT funds, including interviews with key stakeholders against the programme funded undertaken which found that the two sources of funding were complementary but not duplicative and the emphasis and eventual outcomes of the two projects were sufficiently different, with legacy benefits from the CBT funding still evident. The allegation of collusion was not supported, and no evidence could be found.
A phishing email was identified by CBT colleagues, requesting a change of bank account for a charity supported by CBT.	Matter investigated with CBT colleagues, including a meeting with the supported charities Chair. It was identified that the charity is likely to have been the subject of an insider fraud who was aware that a payment was due to be made. The email contained a number of red flags commonly associated with a change of bank account fraud. No account details were changed, and no losses were suffered. Advice and information to identify fraud was provided to the charity and CBT colleagues to build increased awareness to such fraud risks, whilst some CBT colleagues also repeated the fraud awareness e-learning.
Allegation of poor management, DPA/GDPR and safeguarding concerns at a CBT funded charity.	Comprehensive investigation and analysis of key policy and procedure documents supplied by the charity provided a reasonable degree of assurance around the controls in place to protect vulnerable persons and their personal data in line with CBT T&C's. Evidence that relevant training courses had been booked for the CBT funded postholder was provided along with evidence of an externally led investigation into the management practices identified. A meeting with the Chair, board members and key stakeholders demonstrated a commitment to ensure that bad practice was identified, and lessons learned with measures put in place to ensure delivery against objectives. These will be reviewed as part of the CBT grants monitoring activity.
Allegation of misappropriation of funds at a CBT funded charity.	Investigation undertaken with CBT colleagues found that there was little evidence to support the allegation. Enquiries found that other funders had received similar allegations and had also not identified evidence to substantiate the claims. It was identified, however, that the CEO of the charity was also acting as a Trustee and whilst not in breach of Charity Commission rules it was not considered best practice and could result in a conflict of interest. This post holder has now relinquished their role as a Trustee and the grant will be monitored as part of business as usual activity by CBT.

7. The team has progressed a complex and sophisticated Business Rates investigation during the reporting year and work on this continues with support from colleagues at the City of London Police. Updates on the progression and outcome of this investigation will be provided to Members as part of future Anti-Fraud & Investigation reports.

NFI Biennial Exercise

8. The Corporate Anti-Fraud Manager is the Key Contact for the both the City Corporation's and City of London Police's participation in the NFI exercise.

Output from the NFI biennial exercise was released in January 2021 and consists of risk-based data matches for review. A summary of these matches can be found below.

	City Corporation	City Police
Total number of matches	5,153	341
Number of creditor matches (traditionally low risk)	4,706	284
Number of high-risk matches received	142	16
Number of high-risk matches reviewed and cleared	129	12
Number of high-risk matches under investigation	13	4
Number of low and medium risk matches not yet reviewed	163	25
Total	5,153	341

9. The largest proportion of NFI matches relate to creditors; 91% of all NFI matches for the City Corporation and 83% of all NFI matches for the City Police. Creditor matches have traditionally been considered low risk owing to the control framework in place across the organisation and volume of false positives. We have focused on the high risk matches in the first instance with Accounts Payable colleagues reviewing a sample of creditor matches to assess the output from May 2021. A review of all other low to medium risk matches is scheduled for later this reporting year.

NFI Council Tax Single Person Discount (SPD) Exercise

10. The pandemic has impacted the traditional Council tax SPD annual review undertaken by the Council Tax team. In previous years the annual review has focused on all residents in receipt of a SPD discount returning a SPD review form to the City. Working with the Council Tax team, we onboarded to a premium service provided by through the NFI to identify potential SPD fraud through data-matching against NFI records and credit reference agency data to identify if more than one resident appeared to be residing in any eligible property, meaning that the account holder may no longer be entitled to the discount. A review of the high and medium risk matches is being progressed by the Council Tax team, with investigative support provided by the Corporate Anti-Fraud Team. A summary of the NFI output can be found below:

Total number of CT records submitted	1,927
Total number of nil and low risk matches	1,785
Total number of medium risk matches	130
Total number of high-risk matches	12
Total	1,927

Social Housing Tenancy Fraud

11. The team provides full investigative support across all aspects of housing, from initial applications, to the investigation of tenancy breaches and right to buy screening. The COVID-19 pandemic, restrictions, and safe working practices has resulted in changes to our traditional investigation activity, with work over

the reporting year focusing on proactive counter-fraud investigations in relation to housing applications, successions and mutual exchanges (which are desk-based and focussed on prevention) rather than tenancy fraud investigations (that often require physical visits to property and direct contact with tenants, sub-tenants and witnesses and can result in recovery of property). Members should note, however, that social housing tenancy fraud remains a key fraud risk area for the City and other social housing providers and that we aim to safely recommence doorstep visiting activity across the City's housing estates from 17 May 2021, subject to further easing of COVID restrictions.

12. Between 01 April 2020 and 31 March 2021 there has been a 40% reduction in tenancy fraud referrals when compared to 2019/20; this is primarily down to the reduced presence of staff on the City's housing estates during the pandemic who regularly report concerns to the team. It is anticipated that these volumes will increase and rise again as COVID restrictions ease and a more visible presence returns across the City's estates. Seven successful outcomes were secured during the reporting year, comprising of two cases where recovery of the property was secured and five cases where fraudulent applications were identified.
13. In addition, we have progressed more complex cases to prosecution and/or civil recovery phase and currently have three cases with the Comptroller and City Solicitor for criminal prosecution action and four cases for civil recovery action. Progress in respect of these cases is delayed owing to a severe backlog of criminal and civil litigation work that the Courts Service were unable to progress during the COVID pandemic
14. A fixed trial date in August has been set in relation to a complex social housing tenancy fraud investigation undertaken by the team, the outcome of which will be reported to this Committee as part of the November update report.
15. A summary of our work in this area, during the 2020/21 reporting year vs. the 2019/20 reporting year can be found at Appendix 2 to this report.

Council Tax Fraud

16. The Team investigated six Council Tax frauds during the reporting year; three investigations centred around single person discounts with investigations resulting in the removal of the single person discount awards and discounts of £1,280 being subject to recovery. Two claims for dishonest student exemptions resulting in discounts being denied and £70 fines (in line with Council Tax Regulations), and a final case relating to a Council Tax Reduction Scheme investigation, which has resulted in an overpayment of £5,400 over a period of almost six years. This case is subject to further investigation by the team.

Whistleblowing

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

18. The number of referrals received via whistleblowing channels is relatively low; however, when referrals are received, they are generally of high significance leading to further investigation.
19. During the reporting year, three whistleblowing referrals (as defined in the policy) have been received and both have been concluded.
20. The table below provides an overview of the allegation and outcome of the investigation:

Allegation		Outcome
1	Corruption - allegation that a family member of the person submitting the concern had set-up businesses on Companies House with City addresses in order to benefit from COVID-19 Business Grants.	Case fully investigated and when the data was analysed on Companies House, the businesses would have had no entitlement to the grants as they were set-up post 11/03/2020 – the applicable date set by BEIS. Checks against grants application data did not identify any applications in scope.
2	Accusation of historic racism against a current member of staff. Matter referred to Corporate HR.	Matter investigated – no evidence to support the allegations could be found. Case closed.
3	Employee breaches of safe working protocols for essential workers during the pandemic	Matter investigated by HR colleagues. The Departmental Director reinforced the City's safe working practices reminded colleagues of their responsibilities to ensure that social distancing was being adhered to. Staff presence in the office was also kept to a minimum wherever possible.

Corporate & Strategic Implications

21. The work of the Team is designed around minimising the risk of fraud across the organisation by providing a comprehensive counter fraud and investigation response with a clear focus on safeguarding the City's assets and recovering any losses due to fraud; this is underpinned by our Anti-Fraud & Corruption Strategy, which gives due regard to the Corporate Plan. The confidential whistleblowing arrangements managed by the Team ensure that a safe and secure mechanism for raising concerns is maintained and that these concerns are acted upon.

Conclusion

22. The COVID-19 Pandemic has impacted on the work of the Corporate Anti-Fraud Team, with some traditional investigation methods not being possible impacting our tenancy fraud investigations; despite these restrictions the Team have continued to effectively progress investigations to conclusion and to achieve successful outcomes as detailed in this report and its appendices. Likewise, we have been able to progress seven tenancy fraud investigations to

criminal prosecution and/or civil litigation standard and these are subject to ongoing action.

23. A shift in focus to support the City Revenues Team by undertaking post-payment assurance work has been effective in identifying three grants that were made to ineligible businesses, whilst providing assurance that other grants have been made to eligible businesses. Advice and guidance during the development of the City's COVID Recovery Fund initiative has assisted in developing fraud risk controls and data processing assurance, with further support provided through a programme of post-payment assurance activity.

24. The output from the biennial NFI exercise has been received with the majority of high-risk matches reviewed and 17 subject to ongoing investigation. Workstreams have been agreed to review the creditor and lower priority matches over the coming months.

Appendices:

- Appendix 1 – Analysis of the number of cases investigated during the 2020/21 reporting year vs the 2019/20 reporting year
- Appendix 2 - during the 2020/21 reporting year vs the 2019/20 reporting year

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Appendix 1 - Analysis of the number of cases investigated during 2020/21 vs 2019/20.

1. The table below provides a detailed analysis of the number of completed investigations during the 2020/21 reporting year showing all fraud and investigation types along with the value of investigated cases, including where these can be quantified, the value of corporate and whistleblowing investigations. It also provides the previous reporting years data for comparative purposes
2. The nature of the concerns raised under the City's whistleblowing channels mean that not all investigations completed under this discipline result in a financial value, as other outcomes such as disciplinary action, or control environment recommendations result from our whistleblowing investigations.

Activity	Completed Investigations 01/04/2020 – 31/03/2021	Investigation Value (£'s) 01/04/2010 – 31/03/2021		<i>Completed Investigations 2019/2020</i>	<i>Investigation Value (£'s) 2019/20</i>
Social Housing Tenancy Fraud ¹	2	36,000		9	162,000
NFI Pilot Exercise	0	Nil		2	36,000
Right to Buy ²	0	Nil		2	224,600
Housing Application Fraud ¹	5	90,000		3	54,000
Blue Badge Fraud	0	Nil		0	Nil
Corporate Investigations ³	9	25,220		17	122,487
Council tax investigations	6	6,768		5	1,027
Whistleblowing Referrals	4	Nil		7	Nil
Total	26	157,988		45	600,114

Notes:

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

² RTB discount value: £112,300 per property.

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

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Appendix 2 – Housing Tenancy Fraud Caseload Analysis 01/04/2020 to 31/03/2021

Housing Tenancy Fraud Case Referrals	01 April 2020 to 31 March 2021	01 April 2019 to 31 March 2020
Housing tenancy fraud referrals received in current year	38	63
Right to buy referrals received in current year	18	25
Housing application referrals received in current year	5	5
Cases carried forward from previous year (all disciplines)	19	11
Total	80	104
Cases/referrals currently under investigation		
Cases/referrals currently under investigation	34	19
Cases/referrals closed with no further action	32	67
Cases with Comptroller & City Solicitor for prosecution	3	2
Cases with Comptroller & City Solicitor for civil recovery	4	0
Cases where successful possession gained ¹	2	11
Cases where successful prosecution action taken	0	0
Cases where fraudulent application identified ²	5	3
Right to buy fraud successfully identified	0	2
Total	80	104
Value where successful possession gained, housing application cancelled or right to buy fraud identified ³		
	£126,000	£476,600
Notes:		
¹ Cases where successful possession has been gained will be considered for criminal action where suitable, and where offences committed are serious enough to warrant proceedings under the Prevention of Social Housing Fraud Act 2013 and/or the Fraud Act 2006.		
² Fraudulent application includes housing register applications, dishonest succession applications and mutual exchange applications denied.		
³ Successful possession gained value of £18,000 per property sourced from Audit Commission value of national average temporary accommodation costs to Local Authorities for one family. RTB discount value £112,300 per property.		

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Committee(s)	Dated:
Audit and Risk Management Committee	25/05/2021
Subject: City of London Corporation Risk Management Policy and Strategy	Public
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	N/a
What is the source of Funding?	
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: Caroline Al-Beyerty, Chamberlain	For Decision
Report author: Paul Dudley, Corporate Risk Manager	

Summary

This reports seeks the Committee's annual endorsement for the Corporate Risk Management Policy and Strategy.

At the Audit and Risk Management Committee, on 20 January 2020, Members endorsed the revised City Corporation's Risk Management Policy and Strategy. This document set out the approach to Risk Management, risk governance and the process by which risks should be managed within the City Corporation.

Members are asked to note that the review and endorsement, of the Risk Management Policy and Strategy, by the Committee was originally scheduled for January 2021. This was postponed, with the agreement of the Chairman, following the announcement of the Target Operating Model and possible effects on relation to risk governance. The Chairman agreed to bring the Risk Management Policy and Strategy back to the May 2021 Committee meeting.

In preparation for the annual review of the Corporate Risk Management Policy and Strategy, in late 2020 the Audit and Risk Management Committee, Chief Officers and Chief Officer Risk Management Group (CORMG) were asked for their comments/suggestions on the document. A number of comments/suggested amendments were received, and these have been incorporated, where appropriate, in an annotated version of the Corporate Risk Management Policy and Strategy. The Chamberlain and CORMG reviewed the annotated version in April 2021.

Recommendation(s)

Members are asked to:

- Endorse the Corporate Risk Management Policy and Strategy 2021 and authorise the Chairman to sign the Policy Statement on behalf of the Committee.
- Agree to receive the Corporate Risk Management Policy/Strategy on an annual basis in future at the Committee's May meeting for review and endorsement.

Main Report

Background

1. The City Corporation's Risk Management Policy and Strategy is required to be presented to the Committee on an annual basis for their review and endorsement. A clean copy of the document attached as appendix 1 and an annotated updated version is attached as appendix 2.

Current Position

2. Members are asked to note that the review and endorsement, of the Corporate Risk Management Policy and Strategy, by the Committee was originally scheduled for January 2021. This was postponed, with the agreement of the Chairman, following the announcement of the Target Operating Model and possible effects on risk governance. The Chairman agreed to bring the Corporate Risk Management Policy and Strategy back to the May 2021 Committee meeting.
3. In preparation for the annual review of the Corporate Risk Management Policy and Strategy, originally scheduled for January 2021, the Audit and Risk Management Committee Members, Chief Officers, and the Chief Officer Risk Management Group (CORMG) were requested (in late 2020) to comment on the January 2020 version of this Risk Management Policy and Strategy. A number of suggestions and comments were received and noted. These comments together with updated information concerning the Summit Group and the recent approach to "accepting" risks have been incorporated in the annotated version. The Chamberlain and CORMG reviewed the latest version of the strategy in April 2021.
4. The City Corporation's Risk Management Policy and Strategy is based upon best practice including ISO Risk Management Standard:2018, guidance from the HM Orange Book 2019, the HM Management of Risk Guide 2011 as well as other public sector risk management strategies.

Corporate & Strategic Implications

5. The Corporate Risk Management Policy and Strategy sets out the City Corporation's approach to taking and managing risks. The document is a key element of the City Corporations corporate governance and internal control framework and seeks to meet its obligations under the Accounts and Audit Regulations 2015 to have "effective arrangements for the management of risk".

Conclusion

6. The City Corporation's Risk Management Policy and Strategy was originally scheduled for January 2021. However, this was postponed, with the agreement of the Chairman, until the May 2021 Committee meeting pending clarification of the impact of the Target Operating Model on risk governance. The attached annotated version includes the comments and suggested amendments received following consultation with Audit and Risk Management Committee Members, Chief Officers, the Chamberlain and the CORMG. Further changes to the document may be required at a later stage as the Target Operating Model is implemented.
7. The Corporate Risk Management Policy and Strategy forms an important part of the City Corporation's corporate governance and internal control framework as well as meeting legislative requirements.

Appendices

Appendix 1 – Clean copy version of the updated version of the City Risk Management Policy and Strategy 2021 (tracked changes accepted)

Appendix 2 – annotated version of the Corporate Risk Management Policy and Strategy 2021

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City of London Corporation

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

DUDLEY, PAUL

“CLEAN” COPY VERSION 1.1 – FOR 2021 UPDATE

Endorsed by Audit and Risk Management Committee: (May 2021)

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SECTION 1 – Risk Management Policy Statement

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, manage them as well as reviewing 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.

¹ Accounts and Audit Regulations 2015 (as amended)

² The City of London Police have adopted their own risk management policy and process. Bridge House Estates have adopted a risk protocol (2021) based upon the City's Risk Management Policy and Strategy.

- d) Ensure that the **risk management process** for identifying, evaluating, controlling, reviewing, reporting and communicating risks across the 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 dynamic and 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.
- Recognising that effective Partnership working can be part of the ways that risks are mitigated.
- 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.....

John Barradell, Town Clerk

Signed.....

Alderman Alex Barr

Chairman – 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 in conjunction with the Risk Management Policy Statement as well as the risk management guidance for officers.

The following sections include:

- a description of the components of the risk management framework,
- the levels of risk that the City Corporation has identified, the reporting arrangements including those to Grand/Service 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 achieve 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

2.0 The risk management framework

The framework consists of the following components:



4.0 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.

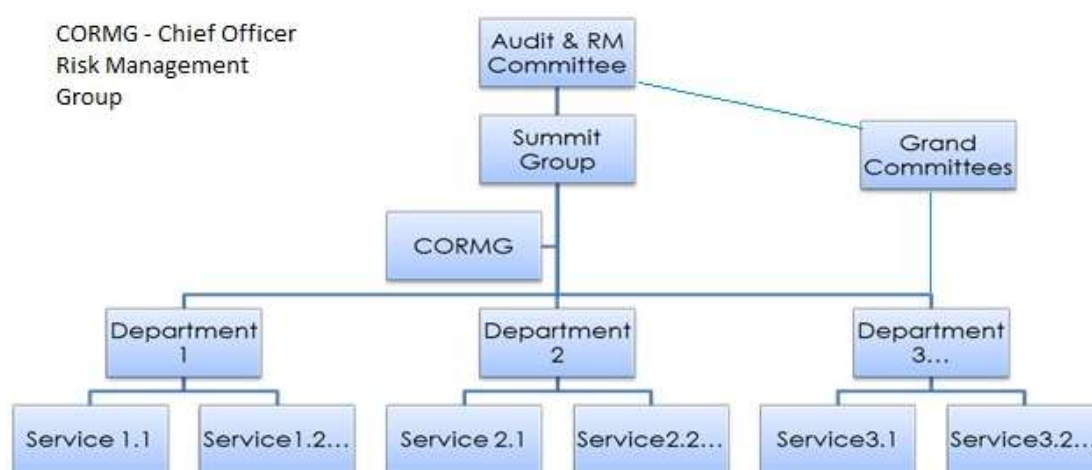
Programme/Project - their impact is limited to the programme/project's outcomes, budget, or timescales.

5.0 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.



Note: Summit Group may be retitled and with a revised Chief Officer membership following the implementation of the 2021 Target Operating Model changes

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 [Intranet risk management page](#).

³ CoL Reporting risk information to Grand Committees

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 received from Chief Officers. CORMG will apply criteria to assess the suitability of a risk to be approved as a corporate risk. (see appendix 2)

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

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

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

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

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

Departmental risks, together with any corporate risks owned by the department, must be reported their respective Grand /Service Committee on at least a quarterly basis. (Note, the three schools may 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 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 should be undertaken at the beginning of every new stage of the project. Regular project team meetings are used for monitoring progress in manging these

risks as well as horizon scanning for project risks. Project risk guidance is available on the [Intranet 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 (see para 6 below).
- The risk will only affect one department/project or programme/functional area and is better controlled locally.

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

6. Risk appetite

The City Corporation's Risk Management Policy outlines its approach to taking risk (i.e., risk appetite) in that it will seek to minimise taking any unnecessary risks but also to reduce risk to an acceptable level to a public body. It also seeks 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 are be applied to all corporate risks. The following diagram shows relative risk appetites for each of these categories of risk.

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

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

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 corporate risks 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).

(Note: Risks which have the same current and target risk scores will be recorded as “accepted “in risk register reports. No target risk date is required in such circumstances. Detailed guidance is available on the risk management intranet site for officers who use the Pentana Risk system to generate risk reports.

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 (or successor Chief Officer Group following the implementation of 2021 Target Operating Model changes) 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 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 2021)

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/Service 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.
- 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

- Embed the Risk Management Policy and Strategy and process to drive consistency in its application.
- Develop guidance, tools and training to support the business to manage risk effectively in accordance with the risk management framework.
- 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 which is now part of the Project Management Academy project. See Sharepoint site.

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 departmental or corporate level as and when necessary.

Risk action owners must:

- Implement 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 which 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 [Intranet risk management Sharepoint 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”

This guidance focuses on the uncertainties which potentially could have a significant impact on the achievement of the City Corporation's objectives and

⁴ISO 31000:2018 Risk Management

the stakeholder's confidence in the way the City Corporation delivers its services (i.e., the uncertainties that matter).

In managing risk, the City Corporation seeks to minimise, though not necessarily eliminate, threats as well as maximise opportunities - (see the City Corporation's Risk Management Policy).

What is risk management?

Risk management is an umbrella term for the identification, assessment and control of risk. The City Corporation have adopted the following formal definition⁵:

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

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

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



Fig 1 – The Five Step Risk Management process

Brief overview the steps in the risk management process

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

⁵ ISO 3100:2018 Risk Management

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 tools have been produced. Information about each tool is included on the [Risk Management Intranet page on CoNet](#).

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 their influence over the planned activity.

See the [Risk management Sharepoint site](#) for more information.

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 be helpful 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.

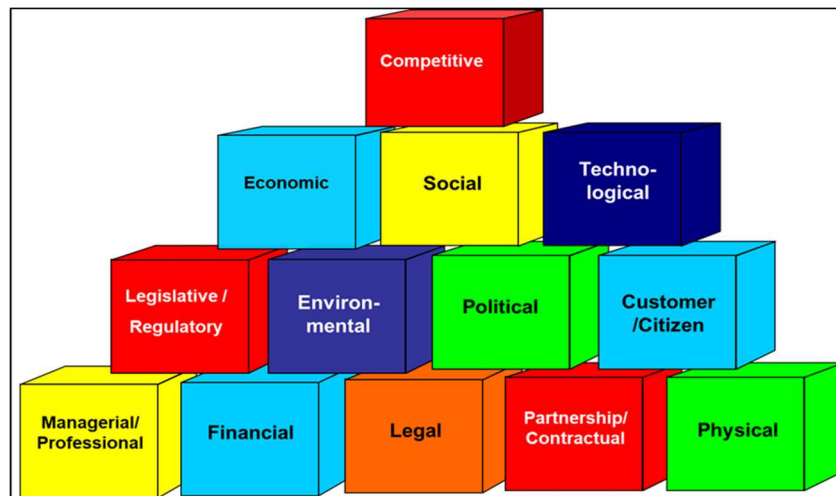


Fig 2 – Example risk prompt list

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. See [Intranet - Risk Management page](#).

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 on the [risk management page - Intranet](#)

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

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

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

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

Fig 3 – The City Corporation’s risk matrix (see appendix 3)
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 (see appendix 3).

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 bureaucratic process. Addressing risk involves taking practical steps to manage and control it.

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

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

Management responses

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

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

<p>Accept: 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 Corporation risk appetite the risk may be manageable.</p>	<p>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. This is particularly true where a service is outsourced. The operational and financial risks may lay with the contractor. In the event of poor service there may be a reputational impact on the City Corporation.</p>
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<p>Avoid:</p> <p>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.</p>	<p>Reduce:</p> <p>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.</p>
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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.

<p>Tools</p> <p>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 (Specific, Measurable, Achievable, Realistic and Time bound) statement.</p>

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.

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/Service Committees. For more information about the Pentana Risk system for recording and reporting risks please contact the Corporate Risk Management on ext 1297.

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. It also provides 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/Service Committee. There is guidance for Chief Officers for reporting their corporate and departmental level risks to their appropriate Grand/Service 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 2019/2020) 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, for example, team meetings and/or one to one meeting or as required

Avoidance - an informed decision not to become involved in a risk situation. (Note: 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 in pursuit of its objectives.

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

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 Risk).

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)⁶
- 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

⁶ Guide to short-, medium- and long-term time frames: Short term <1 year; Medium term 1-5 years and long term > 5 years

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%

(C) Risk scoring grid

		Impact			
		Minor (1)	Serious (2)	Major (4)	Extreme (8)
Likelihood	X				
	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

(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.

(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: January 2020

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APPENDIX 2



City of London Corporation

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

[DUDLEY, PAUL](#)

ANNOTATED VERSION 1.1 – FOR 2021 UPDATE

Endorsed by Audit and Risk Management Committee: (May 2021)

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SECTION 1 – Risk Management Policy Statement

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, **acting to** manage them **and as well as** reviewing 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.

¹ Accounts and Audit Regulations 2015 (as amended)

² The City of London Police have adopted their own risk management policy [and process statement](#). [Bridge House Estates have adopted a risk protocol \(2021\) based upon the City's Risk Management Policy and Strategy](#).

- d) Ensure that the **risk management process** for identifying, evaluating, controlling, reviewing, reporting and communicating risks across the 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 dynamic and 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.
- Recognising that effective Partnership working can be part of the ways that risks are mitigated..
- 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.....
John Barradell

Town Clerk

Signed.....

Alderman Alex Barr – Chairman Audit
and Risk Management Committee

Date: ~~28 January 2020~~

SECTION 2 – Risk Management Strategy

2.0. Introduction

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

The following sections include:

- a description of the components of the risk management framework,
- the levels of risk that the City Corporation has identified, the reporting arrangements including those to **GrandGrand/Service** 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 achieve 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

2.0 The risk management framework

The framework consists of the following components:



4.0 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.

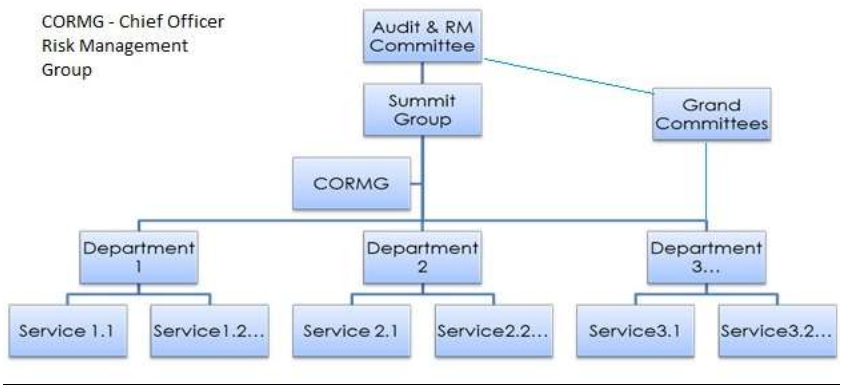
Programme/Project - their impact is limited to the programme/project's outcomes, budget, or timescales.

5.0 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.



Note: Summit Group may be retitled and with a revised Chief Officer membership following the implementation of the 2021 Target Operating Model changes

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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 [Intranet risk management page](#).

³ CoL Reporting risk information to Grand Committees

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 received from Chief Officers. CORMG will apply criteria to assess the suitability of a risk to be approved as a corporate risk. (see appendix 2)

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

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

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

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

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

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

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

All 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 should be undertaken at the beginning of every new stage of the project. Regular project team meetings are used for monitoring progress in manging these

risks as well as horizon scanning for project risks. Project risk guidance is available on the [Intranet 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 (see para 6 below).
- The risk will only affect one department/project or programme/functional area and is better controlled locally.

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

6. Risk appetite

The City Corporation's [in its Risk Management Policy](#) outlines [sd in broad terms](#), its approach to taking risk (i.e. risk appetite) in that it will seek to minimise taking any unnecessary risks [but also to](#) 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 **are must** be applied to all corporate risks. The following diagram shows relative risk appetites for each of these categories of risk.

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

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

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 **corporate** 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).

(Note: Risks which have the same current and target risk scores will be recorded as “accepted “in risk register reports. No target risk date is required in such circumstances. Detailed guidance is available on the risk management intranet site for officers who use the Pentana Risk system to generate risk reports.

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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 (or successor Chief Officer Group following the implementation of 2021 Target Operating Model changes)

• 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 Red Departmental Risk Register on a quarterly basis or more regularly if required.

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- 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 2021)

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 **GrandGrand/Service** 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.
- 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.
- Develop guidance, tools and training to support the business to manage risk effectively in accordance with the risk management framework.
- ~~—~~
- 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 which is now part of- ~~(This is currently being developed as part of~~ the Project Management Academy project). See Intranet

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 ~~director~~ departmental or corporate level as and when necessary.

Risk action owners must:

- ~~put in place~~ implement 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 which 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 [Intranet 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”

This guidance focuses on the uncertainties which potentially could have a significant impact on the achievement of the City Corporation's objectives and

⁴ISO 31000:2018 Risk Management

the stakeholder's confidence in the way the City Corporation delivers its services (i.e. the uncertainties that matter).

In managing risk, the City Corporation seeks to minimise, though not necessarily eliminate, threats as well as maximise opportunities - (see the City Corporation's **R**isk **M**anagement **p**olicy).

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 and organization with regard to risk”

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

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



Fig 1 – The Five Step Risk Management process

Brief overview the steps in the risk management process

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

⁵ ISO 3100:2018 Risk Management

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 their influence over the planned activity.

See the [Intranet risk management intranet site](#) for more information.

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 be helpful 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.

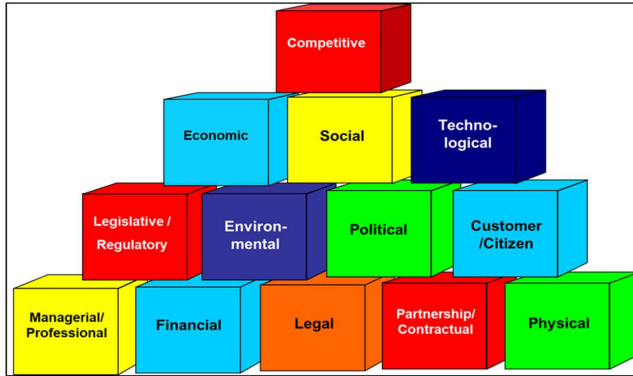


Fig 2 – Example risk prompt list

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. See [Intranet - Risk Management page](#).

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 - Intranet](#)

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

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

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

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

Fig 3 – The City Corporation’s risk matrix (see appendix 3)
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 (see appendix 3).

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

Step 4: Address Risks

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

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

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

Management responses

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

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

<p>Accept: An informed decision to accept the likelihood and consequence of a particular risk, <u>e.g.e.g.</u>, 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 Corporation risk appetite the risk may be manageable.</p>	<p>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. This is particularly true where a service is outsourced. The operational and financial risks may lay with the contractor. In the event of poor service there may be a reputational impact on the City Corporation.</p>
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<p>Avoid:</p> <p>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.</p>	<p>Reduce:</p> <p>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.</p>
---	--

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 (Specific, Measurable, Achievable, Realistic and Time bound) 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 [GrandGrand/Service](#) Committees. For more information about the Pentana Risk system for recording and reporting risks please contact the Corporate Risk Management on ext 1297.

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. [It also provides a](#)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 [GrandGrand/Service](#) Committee. There is guidance for Chief Officers for reporting their corporate and departmental level risks to their appropriate [GrandGrand/Service](#) 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 2019/2020) 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 for example, team meetings and/or one to one meeting or as required

Avoidance - an informed decision not to become involved in a risk situation. (Note: 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 in pursuit of its objectives.

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.e.g., technological risks

Risk cause: a description of the sources of the risk i.e.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 [RiskPerformance](#)).

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)⁶
- 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

⁶ [Guide to short, medium and long term time frames](#): Short term <1 year; Medium term 1-5 years and long term > 5 years

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%

(C) Risk scoring grid

		Impact			
		Minor (1)	Serious (2)	Major (4)	Extreme (8)
Likelihood	X				
	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

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(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.

(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: January 2020

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Committee(s)	Dated:
Audit and Risk Management Committee	25/05/2021
Subject: Risk Management Update	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	N/A
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: The Chamberlain	For Information
Report author: Paul Dudley – Corporate Risk Manager	

Summary

This report provides Committee with an update on the corporate and the top red departmental risk registers as well as information on the Covid-19 Thematic Group risks. Both the corporate and red departmental registers have been reviewed by the Chief Officer Risk Management Group (CORMG) in April 2021.

There are currently 17 (18 in January 2021) corporate risks included on the corporate risk register of which there are 3 red and 14 amber risks. The reduction in the number of risks is accounted by CR26 Brexit risk being removed from the Corporate risk register earlier this year.

The number of corporate red risks has steadily decreased since April 2020 from ten to three (May 2021) whilst correspondingly the number of amber risks has increased from nine to 14 over the same period. There are two less corporate risks now than there were in April 2021.

No new risks have been recommended for endorsement as corporate risks since January 2021. Five corporate risks have decreased in current risk score:

- CR 09 H&S (reduced in current risk score but remains amber)
- CR 23 Police Funding (reduced from red to amber)
- CR 28 Action Fraud (reduced from red to amber)
- CR 34 Covid (reduced from a red to an amber)
- CR 35 Unsustainable medium-term finances (reduced from red to amber)

There are currently 20 red departmental risks reduced in number from 23 in January 2021.

Overall, there are a total of 404 risks (395 in January 2021) that have been identified by departments, providing a wide range of risks that may affect service delivery. This total does not include the 42 (42 in January 2021) Covid-19 Thematic Group risks,

five of which are red risks (six in January 2021). The Covid 19 Recovery Group are responsible for reviewing the Thematic Group risk registers.

Recommendation(s)

Members are asked to note the:

1. Risk report including changes to both corporate and top red departmental risk registers since January 2021.
2. Covid -19 Thematic Group summary risk register.

Main Report

Background

1. The Corporate Risk Management Policy and Strategy of the City of London Corporation requires an update on the corporate and red departmental risks to be reported to this Committee on a quarterly basis.
2. The corporate and red departmental risk update reports provide one of the means by which the Committee exercises its role on the oversight of risks and risk management within the City Corporation. This is in addition to the corporate risk deep dive reports and the Chief Officer Informal Risk Challenge sessions.
3. The corporate risk and red departmental risk registers have been reviewed by the Chamberlain and the Chief Officer Risk Management Group in April 2021.
4. The overall picture of the number and risk rating of all risks recorded on the Pentana Risk system (comparison between May and January 2021) are set out in table 1 below:

Risk rating	May 2021	Jan 2021	Difference
Red	50	51	-1
Amber	222	226	-4
Green	132	118	+14
	404	395	+9




























5. Table 2 below shows the breakdown of red, amber, and green risks by risk level for May 2021 compared with January 2021.





















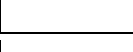



Risk rating	Red		Amber		Green	
	May 2021	Jan 2021	May 2021	Jan 2021	May 2021	Jan 2021
Corporate	3	8	14	10	0	0
Departmental	20	23	92	103	30	34
Service	27	20	116	113	102	84
Total	50	51	222	226	132	118

6. Held separately from the departmental risk registers are another 42 Covid-19 Thematic Group risks maintained on the Pentana Risk system (see para 21). These registers are reviewed by the Covid19 Recovery Group on a regular basis. (appendix 5)

Current Position

7. At the Committee meeting on 28 January 2020, it was agreed that at the first meeting after the end of each municipal year, the Committee would receive a detailed risk register of all corporate risks and at the three other meetings during the year only risks above appetite would be shown in detailed form plus a summary report provided. Attached, for this meeting as appendix 1, is the detailed corporate risk register and a summary risk report showing all corporate risks, attached as appendix 2.
8. Members are asked to note that the corporate risks CR28 Action Fraud and CR34 Covid-19 (detailed reports) are presented in the Not for Publication part of the agenda (appendix 3).
9. There are no new risks being recommended for endorsement on the corporate risk register at this meeting. No risks have increased in risk score since the January 2021 report whilst there are five risks which have reduced in current risk scores. These are detailed below (paras 12 -17). Of the 17 corporate risks, five have the same current and target risk scores and therefore these risks are recorded as accepted in appendices 1 and 2.)
10. The number of red risks has steadily decreased since April 2020 from ten to three (May 2021) whilst correspondingly the number of amber risks has increased from nine to 14 over the same period (being re-rated from red). There are two less corporate risks now than there were in April 2020.
11. Table 3 below – List of current corporate risks as of 5 May 2021 (ordered by risk score) and highlighting the risk assessment flight path.

Risk reference	Risk title	Current Risk Score	Current Risk Score Indicator	Trend Icon (Difference in current and previous risk assessments)	Flight path (since risk creation date)
CR20	Road Safety	24			
CR32	Wanstead Park Reservoirs (formerly OSD 013)	24			
CR24	Operational Security	16			
CR01	Resilience Risk	12			
CR02	Loss of Business Support for the City	12			
CR10	Adverse Political Developments	12			
CR16	Information Security (formerly CHB IT 030)	12			
CR21	Air Quality	12			
CR23	Police Funding	12			

Risk reference	Risk title	Current Risk Score	Current Risk Score Indicator	Trend Icon (Difference in current and previous risk assessments)	Flight path (since risk creation date)
CR29	Information Management	12			
CR30	Climate Action	12			
CR33	Major Capital Schemes	12			
CR34	COVID-19	12			
CR35	Unsustainable Medium-Term Finances	12			
CR09	Health Safety and Wellbeing Risk (Management System)	8			
CR17	Safeguarding	8			
CR28	Action Fraud	8			

Corporate Risks- decreased in current risk score:

CR 09 Health, Safety and Wellbeing (Safety Management system).

12. This risk has reduced in risk score from an amber 12 to an amber 8. CR09 was elevated previously to an amber 12 from an amber 8 at the beginning of the Covid 19 pandemic. However, the health and safety management system has performed effectively throughout as well as ensuring other regular health and safety activities such as audits were undertaken. The risk owner now considers that given the robustness of the health and safety management system it is appropriate to reduce the score back to the pre Covid 19 current risk score.

CR 23 Police Funding & CR 35 Unsustainable medium-term finances

13. Both CR23 Police Funding and CR35 Unsustainable Medium-Term Finances have been reduced from a current risk score of red (16 and 24 respectively) to amber 12 following the adoption of effective mitigations. These changes in current risk scores were reported to the Committee at their meeting on 23 March 2021. The Committee noted a proposal that CR23 Police Funding would be considered for inclusion in the wider CR35 risk in the autumn (Minute 14 (2) 23 March 2021).

CR 28 Action Fraud

14. CR28 has been reduced in current risk score from a red 24 to and amber 8. Measures have been taken to resolve the contractual dispute. The Procurement Sub Committee and the Policer Authority Board agreed the approach to be taken in March 2021. As result formal procedures are now in train to finalise outstanding issues by May 2021.

CR34 Covid 19

15. Following consideration of the current Covid 19 situation and its impact upon the City Corporation, the Gold meeting on 9th April 2021 agreed that CR34 would in future focus on maintaining core services. The risk description has been amended to reflect this. The current risk score was reviewed and reduced from red 24 to Amber 12.
16. The financial impacts of COVID 19 are captured within CR35 'Unsustainable Medium Term Finances risk' with the economic and financial uncertainties brought about by COVID-19 included in CR02 'Loss of Business Support for the City'. Both risks have a current risk score of Amber 12.
17. Members are asked to note that the CR34 Covid risk is the subject of a deep dive report on the agenda for the Committee meeting being held on 25 May 2021.

Disposition of corporate risks on the risk matrix

18. The graphic below shows the disposition of corporate risks on the risk matrix between January and May 2021



Red Departmental level risks

19. There are 20 departmental red risks (23 as at January 2021). The two top rated red departmental risks (current risk score 24) are:

- **MCP-PHPP 001** Brexit- Impact on Port health and Animal Health
- **CLSG -01** Loss of income due to drop in student numbers (SA5 - Operations)

20. All the remaining risks have a current risk score of red 16. A list of the current departmental red risks is attached as appendix 4

Covid19 Thematic Group Risks

21. In addition to the CR34 Covid-19 corporate risk there are 42 (42 in January 2021) Thematic Group risks which include five red risks, 28 amber and nine green risks. Attached as appendix 5 is a short summary report of all 42 Covid-19 Thematic group risks included in the not for publication part of the agenda.

Conclusion

22. The corporate and red departmental risk registers were reviewed by the Chamberlain and the Chief Officer Risk Management Group in April 2021. The Covid19 Recovery Group regularly review the Thematic Group risk registers. This provides additional assurance to Chief Officers and the Audit and Risk Management Committee that corporate and red departmental risks (as well as the Covid19 Thematic Group red risks) are being appropriately and being actively managed.

Corporate & Strategic Implications

23. The reporting of risk information is in accordance with the Corporate Risk Management Strategy (2020)

Appendices

- Appendix 1 - Corporate risk and actions detailed report – All risks
- Appendix 2 - Corporate risk summary report (All risks)
- Appendix 3 - CR28 Action Fraud and CR34 Covid-19 risks (Included in the **Not for Publication** section of the agenda)
- Appendix 4 – Red departmental level risk register – summary report (by department)
- Appendix 5 – Covid19 Thematic group Summary risks by department (Included in the **Not for publication** part of the agenda)

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Corporate risks - detailed report EXCLUDING COMPLETED ACTIONS

(This report does not include CR28 Action Fraud or CR34 Covid 19) which appear in the not for publication part of the agenda)

Report Author: Paul Dudley

Generated on: 10 May 2021

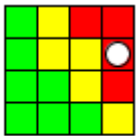
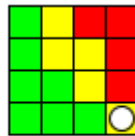
Rows are sorted by Risk Score

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Flight path	
CR20 Road Safety Page 133 23-Oct-2015 Ian Hughes	<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 •Economic costs of collisions impact on individuals, City businesses and wider society •The City Corporation’s ability to improve 	<p>Likelihood</p> <p>Impact</p>	24	<p>The risk assessment is unchanged, reflecting the probability that a fatality is fairly likely to occur while mitigation measures are being implemented. Public consultation on All Change at Bank will begin in March. The Gateway 1/2 report for a programme to deliver pedestrian priority and pavement widening will go to Committees in April. Behaviour change and engagement activities have been placed on hold due to latest Covid-19 restrictions and lockdown. A programme of activities for 2021/22 is currently being developed.</p> <p>10 Mar 2021</p>	<p>Likelihood</p> <p>Impact</p>	16	31-Mar-2022	Reduce	

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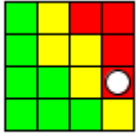
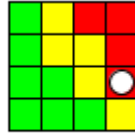
road safety is adversely impacted with businesses and/or the public by virtue of loss of credibility and/or authority						
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Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR201 Road danger reduction and Vision Zero	<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) 	Public consultation on All Change at Bank will begin in March. Improvements to Creechurch Lane (by Leadenhall Street) and Gresham Street (by Wood Street) are in progress. The Gateway 1/2 report for a programme to deliver pedestrian priority and pavement widening will go to Committees in April. Locations for future Healthy Streets minor schemes are being reviewed in preparation for delivery on 2021/22. A report recommending next steps for the Covid-19 transport recovery measures will go to Committee in April.	Ian Hughes	10-Mar-2021	31-Mar-2022
CR202m 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 	Activities have been placed on hold due to Covid-19 restrictions and lockdown. A programme of activities for 2021/22 is currently being developed and will be finalised once TfL LIP funding is confirmed.	Ian Hughes	10-Mar-2021	31-Mar-2022

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Flight path
CR32 Wanstead Park Reservoirs (formerly OSD 013) 09-Dec-2019 Colin Buttery Page 135	(<i>Cause</i>) Gradual deterioration of the fabric of the reservoirs and / or excessive rain. (<i>Event</i>) Risk that the reservoirs may overtop and be washed away, leading to a cascading breach. (<i>Impact</i>): <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. 	Likelihood  Impact	24	Engineering study completed for November 2020. Recommended a lower level of activity required than originally envisaged. While the LRR's are classified as High risk under the Reservoirs (2010) Act their Dam Category of C or D means that the outcome of failure is relatively small. Before confirming the work required an additional assessment of the interaction between the River Roding and Ornamental waters is required. 31 Mar 2021	Likelihood  Impact	8	30-Jun-2024	
							Reduce	

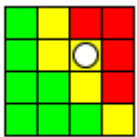
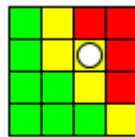
Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
OSD 013 d Environment Agency Actions	Confirm to EA that measures in the interest of safety have been completed.	Study tendered and an appointment has been made. Assessment in progress.	Paul Monaghan	31-Mar-2021	30-Jun-2021
OSD 013 f Gateway 3 Report	Gateway 3 report requesting funding to consider the options.	Project plan currently on track. To be review at next board meeting.	Paul Monaghan	31-Mar-2021	30-Jun-2021

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Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Flight path
CR24 Operational Security 07-Jun-2017 John Barradell	Cause: Inadequate, poorly maintained or time expired security infrastructure; lack of security culture within the organisation; poor training or organisation of staff; insufficient staff. Event: Security of an operational property is breached. 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	Likelihood  Impact	16	The original workstreams on this are either now complete or very near completion. However there are emerging threats and risks, and as such this risk is now being reviewed and will be updated for the next risk report. 06 May 2021	Likelihood  Impact	16	31-Jul-2021	
							Reduce	

Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR24b Mitigating risk of vehicle borne attacks	Mitigating risk of vehicle borne attacks across Corporation estate.	HVM's now all complete and some final bits remaining at CR24B	Paul Wilkinson	06-May-2021	31-Jul-2021
CR24e HVM for major events	Protecting CR24 location A for major events by installing HVM.	At CR24A Location 7 PAS rated HVM in place but cosmetic finishing should be completed imminently.	Ian Hughes	06-May-2021	31-Jul-2021

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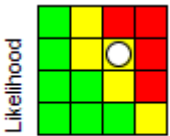
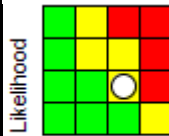
Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Flight path
CR01 Resilience Risk 20-Mar-2015 John Barradell	Cause - Lack of appropriate planning, leadership and coordination Event - Emergency situation related to terrorism or other serious event/major incident is not managed effectively Effect - Major disruption to City business, failure to support the community, assist in business recovery. Reputational damage to the City as a place to do business.	Likelihood  Impact	12	<ul style="list-style-type: none"> Business Continuity training complete. Action plan now in place to implement key recommendations from the training and BIA process BECC Training session complete, process and call out still to be finalised . Cycle of training to continue - Current work postponed due to response to Covid 19 10 Mar 2021	Likelihood  Impact	12		
							Accept	

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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 Work has started with Clearview a company providing software to assist Col depts identify and document the BIA process linked to the action plan , however work is postponed Update - conversations with Clearview and Colp have taken place to look at potential for a joint procurement of the Clearview system , Ongoing Further meetings have take place with clearview Feb2021and Col procurement	Gary Locker	10-Mar-2021	31-Mar-2021
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 LALO were involved in a City based partnership exercise February 2020, further exposure to training and exercise is intended but postponed due to response to COVID 19 Update -LALO training under London wide review Pan London standards process currently held due to Covid 19 response , Lalo training will be key to capability going forward Feb 2021	Gary Locker	10-Mar-2021	31-Mar-2021

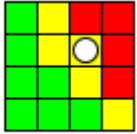
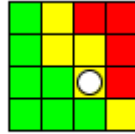

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CR01N Standardisation procedures	to increase City capability and resilience in also supporting wider London boroughs during major incident response, Local Emergency Control Centres, Emergency centres as part of a wider humanitarian	BECC training as 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 Pan London Standardisation process postponed due to Covid 19 response Update – As we move to some business as usual despite still responding to Covid 19 the Col core of support for BECC and other response roles have not changed , training to increase capability for Col response remains ongoing for 2021 - currently joint working with Colp to identify new City based survivor reception centres /update virtual training/refresher session of Col crisis support team took place 2/12/20	Gary Locker	10-Mar-2021	31-Mar-2021
CR01Q Rolling DR tests	Plan an annual calendar of IT DR tests, covering critical systems and services	Rolling DR Tests have commenced and are now an ongoing BAU activity. Almost all servers and services have now moved to the public cloud (Microsoft Azure), improving their stability and resilience. Agilisys are ceasing their datacentre contract in Feb/March 2021, so works are ongoing to migrate the remaining services, including telephony, to other cloud or hosting services. Target for completion is Feb 2021. Once this has completed, IT will carry out a series of DR/resilience tests against the new environment.	Matt Gosden	10-Mar-2021	31-Mar-2021
CR01R Site Assurance audit and recommendatio	All COL and COLP comms and data rooms are being audited with a view to: <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. Provide recommendations for a project to improve the power/UPS resiliency in these rooms.	The migration of services away from on-premise comms rooms, and Agilisys datacentres has significantly reduced the likelihood of a significant power related outage.	Matt Gosden; Kevin Mulcahy	10-Mar-2021	31-Mar-2021

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Flight path
CR02 Loss of Business Support for the City 22-Sep-2014 Damian Nussbaum	Cause: The City Corporation’s assessment of the strategy and approach to promotion and support does provide the appropriate and targeted interventions at the right time, particularly following the Covid 19 pandemic. Risk Event: The City Corporation’s actions to promote and support the competitiveness of the business City are not fully effective (post Covid). 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	 Likelihood	12 Impact	CR02 Risk description has been amended to include the economic and financial uncertainties brought about the Covid 19 pandemic and the potential impact on the City of London. The Innovation and Growth department have been putting in place a number of new initiatives such as the Global City Campaign, publishing a new report - Our Global Offer to Business: London and the UK Competitiveness, and the Recovery Taskforce. This maintains the current risk at an amber 12 although this is kept under regular review. 29 Apr 2021	 Likelihood	8 Impact	30-Apr-2023	
							Reduce	

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	<ul style="list-style-type: none"> Retention of investment: Established a Virtual Engagement Programme focused on supporting key investors through COVID and supporting long term commitment to London/UK. Including Lord Mayor and CPR holding over 150 bilateral meetings with CEO’s/Chairman of major Investor and Global firms. Promotion of UK FPS offer globally: Replacing Lord Mayor and CPR physical international visit programme with virtual visits to key markets including US & North America/Japan/Singapore/Europe/Australia, as well as hosting over 50+ webinars reaching a global audience of over 7000, to continue to promote the strengths of the UK FPS ecosystem and competitive advantages and to share lessons on COVID impact and recovery.. New competitiveness benchmarking work to assess how well the UK is currently doing relative to other major FPS centres was published this quarter and signifies that London remains the leading 	Damian Nussbaum	29-Apr-2021	30-Apr-2023

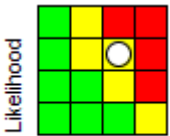

		<p>global financial centre when measured across 100+ metrics.</p> <ul style="list-style-type: none"> • The Global City campaign showcases the UK’s competitiveness strengths in FPS around the world. • We welcome the European Commission’s temporary equivalence decision with regards to UK CCPs. We are disappointed that further equivalence decisions have not yet been taken. We encourage both sides to continue a dialogue with each other, with a hope that further equivalence decisions can be taken by both sides in the future. • The City of London Corporation have played an active role supporting the independent Review into UK fintech, commissioned by HM Treasury and led by Ron Kalifa (former CEO of Worldpay). The Review published its final report and recommendations on 26 February. 			
<p>CR02I Recovery Taskforce report, Square Mile: Future City Page 140</p>	<p>Work with colleagues across the Corporation to implement the recommendations of the Covid 19 Recovery Taskforce Report, Square Mile: Future City</p>	<ul style="list-style-type: none"> • The impact of Covid 19 has had and will continue to have a major impact on the role of the City of London as a global financial centre. The City has shown remarkable resilience and ability to adapt to the extraordinary circumstances it faced. However, it is likely that businesses’ operating models will evolve and we will see much more flexible working patterns. • The Recovery Taskforce has now published its final report, Square Mile: Future City. Officers from across the Corporation will now be implementing the report’s key recommendations, captured as 6 ‘Big Moves’: • Enable high potential businesses to start, adapt, and grow • Open London’s opportunities to everyone • Curate thriving innovation ecosystems in strategic sectors • Create and sustain a vibrant and engaging City offer • Planning and enabling the future City • World-class streets and public spaces 	<p>Damian Nussbau m</p>	<p>29-Apr-2021</p>	<p>30-Apr-2023</p>

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Flight path
CR10 Adverse Political Developments 22-Sep-2014 Paul Double	<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 timeline.</p>	Likelihood  Impact	12	<p>Constant attention is given to the form of legislation affecting the City Corporation and the broader City, and any remedial action pursued. Making known the work of the City Corporation in the financial sphere among opinion formers, particularly in Parliament and central Government, is also part of the apparatus by which the City's voice is heard and by which the Corporation is seen to be "doing a good job" for London and the nation for a crucial sector of the economy.</p> <p>The foremost consideration remains the continuing uncertainty in the UK's post Brexit trading relations. Tensions remain with respect to the Northern Ireland protocol and the EU Commission has launched legal proceedings against the UK.</p> <p>25 Mar 2021</p>	Likelihood  Impact	8	30-Nov-2024	
							Reduce	

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 continue to be identified and City Corporation departments alerted to issues of potential significance as the measures are introduced. Action is taken through negotiation with departmental officials or amendments tabled in Parliament	Paul Double	25-Mar-2021	30-Nov-2024

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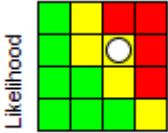
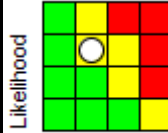

		as required. The legislative consequences of Britain having left the EU as they may affect the Corporation and the City more generally as an international financial centre continue to be a key priority. Policy responses to the COVID-19 pandemic are being continue to be monitored.			
CR10b Provision of information	Provision of information to Parliament, Government and the London Assembly on issues of importance to the City.	<p>The Office has continued to provide updates to the relevant departments and Members following major political developments and set piece Parliamentary events, including most recently on the Budget and on the publication of the Integrated Review of foreign policy. The Queen’s Speech has been announced for 11 May.</p> <p>Recent Parliamentary activity has related to the national security, financial services, international trade, the continued impact of COVID-19 and the creative industries.</p>	Paul Double	25-Mar-2021	30-Nov-2024
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.	<p>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 EU-related issues. Working with other organisations, including TheCityUK, International Law Committee, LawUK and the Financial Markets Law Committee, to analyse the legal and regulatory framework following the UK's departure from the EU.</p> <p>Engagement with APPGs with either a country or sectoral interest to the City Corporation is planned for when in-person meetings can resume. The annual Parliamentary Terrace Reception will restart in Spring 2022.</p>	Paul Double	25-Mar-2021	30-Nov-2024

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Flight path
CR16 Information Security (formerly CHB IT 030) 10-May-2019 Caroline Al-Beyerty	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.	 Likelihood Impact	12	All Staff Mandatory Security training to be held in April. A special one off IT Cyber check paid for by LGA has been completed with a report due shortly 23 Apr 2021	 Likelihood Impact	8	30-Jun-2021	
							Reduce	

Page 4

Action no, Title	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR16j	An update IT Security Roadmap has been developed which has informed work activity for 20/21 and a capital bid for new security tools.	The staff training and awareness of IT security continues under the oversight of the Information Management Board led by our SIRO Michael Cogher. Security campaign to be run in Oct 2020. During COVID regular security messages being sent out. The new Security training is being rolled out to all staff.	Gary Brailsford-Hart	23-Apr-2021	31-May-2021
CR16k	Final stages of completing information security projects which will mean that we can assure Members that the City of London Corporation has implemented all the national	New Security Projects being planned to fit the funding of £250K that was allocated. Gateway paper will be submitted	Gary Brailsford-Hart	23-Apr-2021	31-May-2021

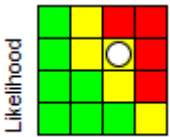
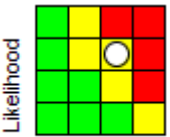
projects	government recommended security practices and technology achieving a maturity level of 4.				
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Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Flight path
CR21 Air Quality 07-Oct-2015 Ruth Calderwood Page 144	Cause: Levels of air pollution in the City, specifically nitrogen dioxide and fine particles, impact on the health of residents, workers and visitors. The City Corporation has a statutory duty to take action to improve local air quality. Event: The City of London Corporation is insufficiently proactive and resourced, and does not have the right level of competent staff, to be able to fulfil statutory obligations, as a minimum, in order to lower levels of air pollution and reduce the impact of existing air pollution on the health of residents, workers and visitors. Effect: The City Corporation does not fulfil statutory obligations and air pollution remains a problem, impacting on health. Potential for legal action against the Corporation for failure to deliver obligations and protect health. Adverse effect on ability to deliver outcomes 2 and 11 of the Corporate Plan	 Likelihood Impact	12	The risk remains unchanged 23 Apr 2021	 Likelihood Impact	6	31-Dec-2024	
							Reduce	

Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR21 001h	Develop baseline model for compliance assessment and publish annual report of air quality data	The assessment for 2020 will be undertaken by summer 2021 once the data for 2020 has been fully ratified	Ruth Calderwood	23-Apr-2021	31-Dec-2025
CR21 001i	100% of vehicles owned or leased by the	5 all electric refuse vehicles have been purchased for the refuse collection contract	Ruth	23-Apr-2021	31-Dec-2025

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Compliant vehicles	CoL are electric or hybrid by 2025		Calderwood		
CR21 001j Develop Private Members Bill	Develop and support an Emission Reduction Private Members Bill for London local authorities	Still awaiting second reading in the House of Lords	Ruth Calderwood	23-Apr-2021	31-Dec-2021
CR211 Compliance with NO2 target	Assess percentage compliance rate with NO2 target	% compliance will be available late Spring	Ruth Calderwood	23-Apr-2021	31-Dec-2024

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Flight path
CR23 Police Funding Page 145 21-Nov-2016 Caroline Al-Beyerty; Ian Dyson	Cause: Reduction in government funding, workforce costs and growing demand in Policing services leading to pressures for the City Fund -Police. Event: Reduction in government funding. Failure to deliver VfM savings. Budget deficit forecast for next 5 years requiring action to balance the budget 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.	 Likelihood Impact	12	<ul style="list-style-type: none"> Finance Committee has approved the reduction of the risk rating from Red to Amber. The approval The updated MTFP prepared for February Police Authority Board in light of 21/22 Home Office settlement and the CoLC 12% savings requirement was approved. It assumes that future funding settlements not inflation linked and use of £4m underspend to advance repayment of Action Fraud loan. Balanced budget being set for 21/22. In subsequent years MTFP shows growing deficits across medium-term. 27 Apr 2021	 Likelihood Impact	12	30-Sep-2021	
							Accept	

Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR23g	Implement sustainable medium-term	Loan based capital financing model implemented for 20/21. Balanced budget being set for 21/22		24-Mar-2021	30-Sep-2021

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Sustainable Settlement 2020/21 onwards	financial settlement for CoLP: - Revenue position, Capital financing	Savings plans need to be developed for future year deficits, plus Action Fraud and other pressures / risks.			
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Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Flight path
CR29 Information Management 08-Apr-2019 Sean Barradell	Cause: Lack of officer commitment and investment of the right resources into organisational information management systems and culture. Event: The City Corporation's IM Strategy (2018-2023) is not fully and effectively implemented Effect: <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	12	New business intelligence dashboards continue to be developed for improved decision making by the Corporate Strategy and Performance team • An updated Information Management Asset register is being populated for the organisation. Plan being developed for moving unstructured data from Shared Drives to Sharepoint 23 Apr 2021	 Likelihood Impact	6	31-Jul-2021	
							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	Information Management Campaign successfully deployed. Work on the role of IM in the new TOM has begun with the TOM consultants.	Sean Green	23-Apr-2021	31-May-2021
CR29b IM Culture Change	Start the culture change by Integrating good information management practice into the	Work began 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	Chrissie Morgan	23-Apr-2021	31-Jul-2021

	Leadership and Management stand of the City of London Learning Academy	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. The IM campaign will launch the messages. • The Local Information Manager role was launched. An updated Information Asset Register has been developed			
CR29f IM Strategy implementation	Ensure officers can implement the data retention policy and data discovery requirements from GDPR	Gateway paper being prepared for the Data Discovery tool.	Sean Green	23-Apr-2021	31-Jul-2021

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Flight path
CR30 Climate Action Page 147 07-Oct-2019 John Barradell	Cause: Insufficient resources and prioritisation allocated to Climate Action. Event: The City Corporation fails to reduce and mitigate the impact and effect of climate change. PHASE 2: DELIVER AND REFINE ACTION PLAN – To be addressed in completion of phase 1. Impact: As the governing body of the Square Mile dedicated to the City, there are a range of potential impacts including: <ul style="list-style-type: none"> • failing to deliver on the net zero targets in our Climate Action Strategy • reducing our ability to effectively reduce carbon emissions in the next two carbon budget periods (2022 and 2027) • damaging the City’s credibility in Green Finance and Insurance markets; • reducing our ability to champion sustainable growth globally and enhance the relevance and reputation of the Square Mile • failing to adequately invest in climate resilience measures leading to negative impacts on social, economic and environmental outcomes • failing to adequately invest in net zero 	 Likelihood	12	The City of London Corporation’s Climate Action Strategy 2020 was approved by the Court of Common Council in October 2020. The year 1 action plan for delivering the strategy was approved on 8th April 2021 at P&R with input from the various Chairs/Deputy Chairs from the relevant committees. Work is underway across 10 workstreams detailed in project plans. Stakeholder engagement plans, performance dashboard and management systems, governance approach are also finalised. Assessment of climate implications now required within all reports to Committees 04 May 2021	 Likelihood	4	31-Mar-2027	
							Reduce	

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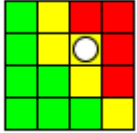
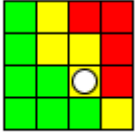

initiatives leading to negative impact on our financial and property investments					
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Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR30k Impact on City financial and ability to champion sustainable growth of not hitting net zero targets / maintaining resilience	Ongoing political and international relationship management	Strategy picked up by media and helping promote reputation of City financial. Stakeholder engagement plan identifies opportunities for political and international engagement opportunities.	Damian Nussbaum	04-May-2021	31-Mar-2027
CR30l Risk of not hitting net zero and resilience targets for City Corporation operational and investment assets, whilst maximising returns	Deliver programme of works across operational and investment portfolios	Pre-mobilisation underway across four workstreams – investment, corporate, resilience and capital projects. Year one plan approved at CASC 28/04/21. This includes delivery of 7 key tasks including: Commissioning building energy surveys & feasibility; Building control management strategy development; Roll out of monitoring and targeting (M&T) programme. Commission decarbonisation of heat studies; Deep fabric retrofit pilot projects & appointment of Energy Specialist Resources.	Paul Wilkinson	04-May-2021	31-Mar-2027
CR30m Risk of not hitting net zero targets for financial investments and supply chain	Monitor and drive performance against net zero and financial targets for financial investments and supply chain, continually refreshing learning	Funded project plans with resources and capability requirements now in place and approved at April P&R. Overview of project plan approved by FIB. Supply chain workstream focused on most impactful contracts	Caroline Al-Beyerty; Peter Kane	04-May-2021	31-Mar-2027
CR30n Resilience risks of Square Mile infrastructure	Monitor and drive performance against net zero and resilience targets, continually refreshing learning	Commenced implementation of project plans for Cool Streets & Greening (RS2) and Mainstreaming Resilience (RS1,4 &5). CS&G Gateway 2 – Approved by Projects sub-committee 14/04/21 - Streets & Walkways sub-	Jon Aaverns	04-May-2021	31-Mar-2027

and public realm and risk of not hitting net zero targets for developments and transport		committee decision due 29/04/21.			
CR30o Reaching carbon removal targets through open spaces	Set out carbon removal action plan and mobilise	<p>The budget in the Project Plan for Apr 21-Mar 22 has been confirmed. Gateway report on the Phase 1 works and studies going to Epping Forest Committee on 10th May and Project Sub on 17th May.</p> <p>Current risks are:</p> <ul style="list-style-type: none"> *Challenge by tenant to termination of farming tenancy which would make one of the key project sites unavailable. *The report identifying the land management works that could deliver on the project target reveal the costs/timescales/constraints of these works makes the project unfeasible *Underestimation of project costs and costed risks <p>Epping Forest & Commons Committee have approved the termination of two farming tenancies which have set end dates. Committee have also approved officers to start the termination process with a third tenant. All other sites are within the City's control.</p> <p>The survey and planning work for the Phase 1 works (which is at Gateway 2 and going to Project Sub on 17th May) is being finalised. The briefs for external consultants to identify further opportunities for Phase 2 onwards is being finalised and is intended to go to market in early June. Using these reports Phase 2+ plans will be created.</p> <p>Baseline surveys will occur at Phase 1 sites in summer 2021.</p> <p>External funding opportunities are being investigated.</p>	Colin Buttery	04-May-2021	31-Mar-2027
CR30p Delivery delays	Run overarching engagement programme with our stakeholders and partners (phase 3)	Dedicated stakeholder engagement lead built into PMO function. Stakeholder engagement plan approved at April P&R. Detailed stakeholder engagement plan socialised with principle members and	Damian Nussbau	04-May-2021	31-Mar-2027

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and failures due to stakeholder / public action / inaction	of engagement plan) and quality assure engagement for projects	officers for approval.	m; Kate Smith		
CR30q Protecting vulnerable groups who are most likely to be impacted by climate change and fulfilling Public Sector Equalities Duty	Carry out impact assessments and equalities analysis on projects and stakeholder research and use their findings to shape future engagement and delivery	Subject to continuous assessment within implementation plans.	Andrew Carter; Kate Smith	04-May-2021	31-Mar-2027
CR30r That the scope, budget, timescales, targets and/or commitments of the climate action strategy are not covered upon through the climate action programme of work	Agree to and implement appropriate governance to embed Climate Action in departmental scrutiny. Ensure appropriate capacity and capabilities are in place including for regular KPI progress reporting via the CPF. Ensure mechanisms in place for releasing staged financing. Set up regular tracking of impact of our actions on targets.	Full year 1 implementation plan approved at April P&R, including a strong PMO function providing oversight. Beta version of performance dashboard developed with 95% KPIs signed off and plan for addressing data gaps and quality. Programme management tools have been developed to ensure strong oversight.	Damian Nussbaum; Kate Smith	04-May-2021	31-Jul-2021

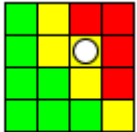
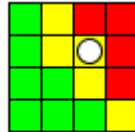

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Flight path
<p>CR33 Major Capital Schemes</p> <p>14-Feb-2020 Peter Lisley; Paul Wilkinson</p>	<p>Risk owner Town Clerk & City Surveyor Cause: The City Corporation has set itself the ambition to deliver at least three landmark multi-million pound capital schemes over the next decade (currently programmed to complete 2028). Event: there is insufficient technical and professional capability and resource to effectively deliver the schemes. Effects:</p> <ul style="list-style-type: none"> • Schemes not delivered on time • Inability of the organisation to move at the required pace • Potential for increased capital costs as a result of delayed decision making • Reputational impact on the Corporation vis a vis key stakeholder across London and UK Govt. • Potential revenue impact of delayed delivery to services affected (e.g. Markets, Museum of London Grant, City of London Police) • failure to deliver on corporate outcomes <p>Note - given that this risk spans several years, the target risk score/date has been set to Oct 2021 when it is expected that, after completion of the related actions, the risk score is anticipated to reach target level and could be considered for de-escalation.</p>	<p>Likelihood</p>  <p>Impact</p>	<p>12</p>	<p>Programme teams have continued to work effectively remotely throughout the year. Recruitment issues now resolved with plan to recruit to align with expiry of existing contracts - realising a significant saving and building internal capabilities. Corporate Finance resources currently being used flexibly – and under review. Monthly assurance meetings continue across the City’s portfolio of Major Programmes to review programme, risk and dependencies.</p> <p>27 Apr 2021</p>	<p>Likelihood</p>  <p>Impact</p>	<p>8</p>	<p>31-Oct-2021</p> <hr/> <p>Reduce</p>	

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Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR33 a PMO Capability	Build PMO Capability utilising newly available budget.	Job Descriptions and Person Specs for a further PMO Analyst have now been signed off. Recruitment will now commence to align with the expiry of existing contract staff in July 2021. Delay to job evaluation has led this approach in order to minimise disruption to programmes and ensure smooth handover of responsibilities. This will enable recruitment to the additional post and the building of internal capabilities	Matthew Pitt	27-Apr-2021	31-Oct-2021
CR33 c Financial modelling	Develop Corporate Capability around Financial Modelling	A central strategic finance team has been established with two contractors recruited supporting the work on financial modelling including additional support for major projects. The Markets project has a dedicated resource for 3 days per week to focus on developing the overall financial and operating model.	Caroline Al-Beyerty	27-Apr-2021	31-Oct-2021
CR33 d Optimism bias	Implement a standard approach to Optimism Bias Modelling	Part of work programme for 2020/21 A standard approach has been developed based on HM Treasury Guidelines which programmes – major or otherwise with OB - can utilise going forwards.	Caroline Al-Beyerty	27-Apr-2021	31-Oct-2021
CR33 e Dependencies	PMO to adopt a portfolio approach int emanagement of these schemes and systematically identify and manage dependencies	Combined programme, mapping interdependencies between programme, tracking programme risk, delays is updated monthly across the Major Programmes Portfolio. This is reviewed monthly in line with assurance meetings. Monitoring of Financial Cashflows is in place but this requires development in line with CR33c and remains a risk for the organisation. Use of Power BI / Visio to overlay financial data against programme would be a useful tool though there have been delays to its implementation	Matthew Pitt	27-Apr-2021	31-Oct-2021
CR33 f Performance indicators	To identify and monitor indicators such as climate action, apprenticeships, social benefits for each project.	Environmental Impact Assessments for each programme (once developed as part of the planning process) will help track the socio-economic impact and benefits of our Major Programmes. This will include apprenticeships, jobs created, jobs retained, UK supply chain info and others - Communications Fact Sheets in Place - Benefits Tracker developed - Accessible template developed – data to be input - Data from 2/3 Programmes received – chasing the third	Matthew Pitt	27-Apr-2021	31-Oct-2021

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CR33 g Reporting to Summit Group	To regularly report progress to Summit Group for each project.	Some reporting to Summit Group took place during 2019 and that will continue into 2020 using the Major Programmes Dashboards and Timeline above. Suggested interval quarterly. Summit Group currently suspended due to Covid 19.	Matthew Pitt	27-Apr-2021	31-Oct-2021
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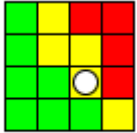
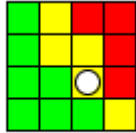

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Flight path
CR35 Unsustainable Medium Term Finances Page 153 19-Jun-2020 Caroline Al-Beyerty	Causes: Anticipated 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 Normal course of business unable to function due to COVID 19 restrictions BREXIT compounding market uncertainty and exacerbating the economic downturn. Major contraction in key income streams and increase in bad debts. In particular that lower occupancy levels in city properties reduce investment property income over the medium term. Police Transform programme fails to realise the budget mitigations anticipated Reduction in the value of investments- property and securities- reduces available capital for major project financing. Event: Inability to contain financial pressures within year (2020/21) and compensatory savings and/or income generation to meet the Corporation's forecast medium term financial deficit will not be realised. Effects: Additional savings over and above those identified through the Fundamental Review	Likelihood  Impact	12	<ul style="list-style-type: none"> Following A&RMC and Finance Committees agreement to de-escalate this risk score from a red 24 to an amber 12 following a recommendation from the Chamberlain. The risk has been extended to continue throughout the 21-22 FY. The Finance committee requested that a number of automatic triggers are put in place to monitor the performance against the risk, if triggered the risk score will be returned to a red rating. 28 Apr 2021	Likelihood  Impact	12	31-Mar-2022	
							Accept	

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to meet this challenge are required and/or closure in some areas reserves are utilised and/or services stopped. 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. 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 suboptimal use of resources and/or poor performance. Capital projects stalled due to COVID restrictions. Stakeholders experiencing reduced services and service closures.						
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Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR 35a Reduction in income	A reduction in key income streams and increase in bad debt	This is being monitored monthly, with action being taken to reduce spend where possible. Budget forecast for 21/22 includes reduced income, with recovery profiled across the medium term.	Sonia Virdee	24-Mar-2021	31-Mar-2022
CR 35b Cash flow	To reduce strain on cash flow.	<ul style="list-style-type: none"> The Corporation remains very liquid and the outlook for near term cash flows is robust. Cash flowing modelling for major commitments is being carried out. Next tranche, £200m, of private placement monies for City's Cash will be in July 2021. 	James Graham; Sonia Virdee	24-Mar-2021	31-Mar-2022
CR 35c Covid-19 Expenditure	Increased expenditure related to COVID measures- maximise recovery from government	<ul style="list-style-type: none"> Maximising recovery from government- spend is being coded and monitored. Estimated claim of up to £11.7m for loss of fees & charges on City Fund. Total claim made to date is £5.3m (£1.5m received for qtr1 and £3.8m pending). Furloughing workers where appropriate has been done recovering £4m to end of January 	Sonia Virdee	24-Mar-2021	31-Mar-2022
CR 35d Business rates	Inability of occupiers to pay rates as their income falls as business models are damaged. A reduction in demand for office space in the square mile, leading to lower occupation and business rate income. The Corporation is currently benefitting from	<ul style="list-style-type: none"> Monthly monitoring in place. The impact of COVID-19 has been to lower the collection rate for business rates. Collection now 4.9% below previous year, an improvement from 6% in December. The Govt has recognised the cashflow impacts of business rates and has deferred its share for April-June, which has been re-profiled over the remainder of the year. The Govt is also allowing authorities to spread the impact of business rate deficits over 3 years. The impact of business rate appeal linked to COVID could be significant. Not clear what the 	Phil Black	24-Mar-2021	31-Mar-2022

	growth in business rates retained income of c£40m. Non-payment of rates across London leading to difficulties in meeting cash flow payments as host of the pool.	approach will be from the VoA. Liaising with MHCLG on potential solutions. Impacts will continue to be monitored.			
CR 35e Investments	Impact on investments: securities/property	<ul style="list-style-type: none"> The values of the three main financial investment portfolios have continued to grow steadily COL's Pension Fund contributions are fixed until 2023, providing some protection, whilst the diversified asset allocation strategies and use of active management across all three funds should continue to deliver some stability if general market moves become extreme again. Our voids have not increased significantly, the latest vacancy report, as at 1st December, showed our vacancy rate was 2.52%, which was lower than the City vacancy rate of 5.1% and the West End vacancy rate of 5.9%. There was a slight increase of 15,232 sq ft in vacant space from 1st June to 1st December. 	Nicholas Gill; James Graham	24-Mar-2021	31-Mar-2022
CR 35f MTFP	Impact on the MTFP	<ul style="list-style-type: none"> Lower investment income modelled into MTFP and business rate reset in 22/23. Sums to mitigate risk are being held in Reserves- £30m on City Fund and £20m on BHE. Already drawing down on City's Cash Reserves by £526m across the planning horizon to 2024/25 (which is sustainable given modelling of balance sheet recovery) FR proposals affecting staff put into abeyance during CoLC's response to Covid-19. FR proposals affected by COVID have been reprofiled. 	Caroline Al-Beyerty	24-Mar-2021	31-Mar-2022
CR 35h Fundamental Review Implementation	To implement the Fundamental Review project plan- TOM	<ul style="list-style-type: none"> FR proposals affecting staff put into abeyance during CoLC's response to Covid-19. The Flexible Retirement Scheme for those aged 60+ is currently being implemented. Other savings relating to organisation design and an associated reduction in headcount are expected to begin from the new financial year, with full year impact in 2022/23. 	Chrissie Morgan	24-Mar-2021	31-Mar-2022

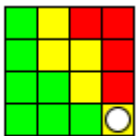
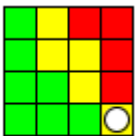

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Flight path
<p>CR09 Health Safety and Wellbeing Risk (Management System)</p>	<p>Cause: Lack of management grip/attention 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</p>	<p>Likelihood</p>  <p>Impact</p>	<p>8</p>	<ul style="list-style-type: none"> Individual (Covid) RA guidance updated and reissued following the pausing of Shielding at end March 2021 <p>New Guidance and Checklist for Chief Officers, Managers and staff guidance documents about returning to the Workplace issued</p> <ul style="list-style-type: none"> Noise and Vibration plus Home Working (H&S) Policies are being considered by Establishment Committed in May 2021 Trial of remote Covid Inspections underway using self-completed template and Teams interviews: Completed 3 libraries and Central Criminal Court plus Barbican Centre and City Gardens <p>Site visits also made to LMA and Guildhall Library prior to reopening</p> <p>New Inspection template for Vibration successfully used at City Gardens with further inspections scheduled for Epping Forest and Central Criminal Court</p>	<p>Likelihood</p>  <p>Impact</p>	<p>8</p>	<p>30-Jun-2021</p>	

Page 157 Sep-2014 Chrissie Morgan				• HSW Manager is the Single Point of Contact (SPoC) for City Corporation for Covid cases. Significant fall in cases since mid-Jan. Trend has continued. Month long from Stress to Distress Campaign for staff completed in April during stress awareness month Agile DSE implementation rolled out to all department (ExCloP) apart from Girls School 29 Apr 2021				
							Accept	

Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR09K Compliance audits and inspections 2020/21	Deliver a series of health and safety audits and compliance checks to provide corporate assurance that the organisation is being managed safely	BAU audits / inspections paused during pandemic Inspection re-started focusing on Covid Secure compliance Trial of remote Covid Inspections underway using self-completed template and Teams interviews Completed 3 libraries and Central Criminal Court plus Barbican Centre and City Gardens Site visits also made to LMA and Guildhall Library prior to reopening	Justin Tyas	29-Apr-2021	31-Dec-2021

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CR09L London Health Workplace Charter	Evidence being collected for submission for Achievement Award for LHWC	Steering group in place with evidence being collected. Pushed back to 2021 due to Covid-19 pandemic. Suspended: Review again in mid-2021	Justin Tyas	29-Apr-2021	30-Jun-2021
CR09M Covid-19 outbreak/control	Business as usual HSW suspended due to Covid-19 outbreak	Focus is on supporting the Gold strategy via Public Service Silver and other corporate mechanisms in line with HR Business Continuity / Emergency Management Plan	Justin Tyas	29-Apr-2021	30-Jun-2021
CR09O Agile DSE Software	Identify improvements to allow more flexible / agile DSE	Agile solution being implemented which allows user to undertake DSE in home, work and agile environments to suit needs Implementation has commenced following background re-configure and testing Implemented in all area except Girls School. CoLP are not using.	Justin Tyas	29-Apr-2021	30-Jun-2021
CR09Q Monitoring of CR09 Risk Scoring	CR09 is now at Target and the risk treatment is "Accept" the HSW Manager will be monitoring the H&S Management System on behalf of the risk owner and any changes which may impact effectiveness considered when assessing on-going risk scoring		Justin Tyas		29-Apr-2022

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Flight path
<p>CR17 Safeguarding</p> <p>22-Sep-2014</p>	<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>	<p>Likelihood</p>  <p>Impact</p>	<p>8</p>	<p>The network of Safeguarding Champions to fully embed safeguarding responsibilities across the organisation has been relaunched. Some of the existing champions have moved on or no longer perform this role. Chief Officers have been asked to nominate a Safeguarding Champion for their departments, and to report to the Director of Community and Children's Services every six months on the discharge of their safeguarding responsibilities. These actions have been delayed due to demands relating to the Covid-19 response and to the impact of the Target Operating Model which mean some departmental restructures.</p> <p>This network of Champions is still outstanding due to Covid-19 and will remain on register with a revised target date of May 2021.</p> <p>Monitoring of the demand for Adult and Children Social Care is taking place to ensure resources are adequate to manage the response to Covid-19.</p> <p>A virtual Corporate Parenting Training session will be available to ALL members of the Court of Common Council – this will provide context to the role of the Corporate Parent and consider how Members will be able to discharge corporate parenting duties.</p>	<p>Likelihood</p>  <p>Impact</p>	<p>8</p>	<p>Accept</p>	

APPENDIX 1

Andrew Carter							
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Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR17aa Corporate Parenting Training for Members	A virtual Corporate Parenting Training session will be available to ALL members of the Court of Common Council – this will provide context to the role of the Corporate Parent and consider how Members will be able to discharge corporate parenting duties to support Children in Care and Care Leavers.	A virtual Corporate Parenting Training session will be available to ALL members of the Court of Common Council – this will provide context to the role of the Corporate Parent and consider how Members will be able to discharge corporate parenting duties to support Children in Care and Care Leavers.	Chris Pelham	20-Apr-2021	30-Jul-2021
CR17X Safeguarding Champions and Departmental Updates	Chief Officers have been asked to nominate Safeguarding Champions and to report to the Director of Community and Children’s Services every six months on the discharge of their safeguarding responsibilities.	<p>The network of Safeguarding Champions to fully embed safeguarding responsibilities across the organisation has been relaunched. Some of the existing champions have moved on or no longer perform this role. Chief Officers have been asked to nominate a Safeguarding Champion for their departments.</p> <p>Chief Officers have also been asked to report to the Director of Community and Children’s Services every six months on the discharge of their safeguarding responsibilities.</p> <p>These provisions have been delayed due to extra demands on departments relating to the Covid-19 response and the impact of the new Target Operating Model.</p>	Andrew Carter	20-Apr-2021	31-May-2021
CR17y Possible increased demand on Children and Adult Social Care as a result of Covid-19	Monitoring is taking place to ensure that the Children and Adult Social Care Workforce is adequately resourced to tackle the increase in demand which is likely to occur when the Covid-19 lockdown period finishes.	<p>It is possible this will generate additional demands on the system as an increase in identified need happens at the same time and a surge on safeguarding and support services risks outstripping capacity.</p> <p>Additional capacity has been brought into the front line Children and Adult Social Care services to support demand however these arrangements are temporary and require a wider service review to ensure that there is sufficient capacity long term to meet demand due to Covid-19. HR have advised that no restructures can progress at this time due to the new Target Operating Model (TOM).</p>	Chris Pelham	20-Apr-2021	30-Jun-2021



Corporate Risk Register Summary Report

Report Type: Risks Report

Generated on: 06 May 2021










Rows are sorted by Risk Score

Traffic Light: Red 3 Amber 14

Risk Appetite Level Description Risk above appetite













Traffic Light: Red 3 Amber 7

Risk code	Risk title	Risk Category Description	Approach	Current Risk Score	Current Risk Score Indicator	Trend Icon	Risk flight path)
CR20	Road Safety	Health and Safety	Reduce	24			
CR32	Wanstead Park Reservoirs (formerly OSD 013)	Health and Safety	Reduce	24			
CR24	Operational Security	Physical	Reduce	16			
CR01	Resilience Risk	Physical	Accept	12			
CR21	Air Quality	Environmental	Reduce	12			
CR23	Police Funding	Financial	Accept	12			
CR34	COVID-19	Covid-19	Reduce	12			

Risk code	Risk title	Risk Category Description	Approach	Current Risk Score	Current Risk Score Indicator	Trend Icon	Risk flight path)
CR35	Unsustainable Medium Term Finances	Financial	Accept	12			
CR17	Safeguarding	Safeguarding	Accept	8			
CR28	Action Fraud	Partnership/Contractual	Reduce	8			







Risk Appetite Level Description Risk at appetite

Traffic Light: Amber 4




Risk code	Risk title	Risk Category Description	Approach	Current Risk Score	Current Risk Score Indicator	Trend Icon	Risk flight path (last 12 previous assessments)
CR02	Loss of Business Support for the City	Economic	Reduce	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			

Risk Appetite Level Description Risk below appetite

Traffic Light: Amber 3

Risk code	Risk title	Risk Category Description	Approach	Current Risk Score	Current Risk Score Indicator	Trend Icon	Risk flight path (last 12 previous assessments)
CR10	Adverse Political Developments	Reputation	Reduce	12			
CR30	Climate Action	Environmental	Reduce	12			

APPENDIX 2

Risk code	Risk title	Risk Category Description	Approach	Current Risk Score	Current Risk Score Indicator	Trend Icon	Risk flight path (last 12 previous assessments)
CR33	Major Capital Schemes	Financial	Reduce	12			

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Red Departmental Level Risks Report by department

Report Type: Risks Report

Report Author: Paul Dudley

Generated on: 06 May 2021

Rows are sorted by Risk Score

Department Description Barbican Centre

Department Description: Barbican Centre 8

Code	Title	Risk owner	Current Impact	Current Likelihood	Current Risk Score	Current score	Latest Note Date	Target Impact	Target Likelihood	Target Risk Score	Target score	Target Date	Risk Approach	Flight Path
BBC Arts 004	Loss of Key Artists/Companies/Events	Leonora Thomson	8	2	16		04 May 2021	4	2	8		30-Sep-2021	Reduce	
BBC Arts 008	Box Office Targets	Leonora Thomson	8	2	16		29 Apr 2021	4	2	8		30-Sep-2021	Reduce	
BBC Commerc 003	Impact of Brexit on the Movement of Talent, Technical and Production Staff and Temporary Movement of Cultural Goods	Nicholas Kenyon	4	4	16		30 Apr 2021	4	3	12		31-Dec-2021	Reduce	
BBC Ex Halls 003	Exhibition Halls Compliance and Condition	Jonathon Poyner	8	2	16		27 Apr	4	2	8		31-Mar-2022	Reduce	

APPENDIX 4

Code	Title	Risk owner	Current Impact	Current Likelihood	Current Risk Score	Current score	Latest Note Date	Target Impact	Target Likelihood	Target Risk Score	Target score	Target Date	Risk Approach	Flight Path
	Risk Resulting from Bow-Wave						2021							
BBC Finance 001	Financial Targets Not Achieved, Including Income and Expenditure Volatility	Sandeep Dwesar	4	4	16		04 May 2021	4	2	8		30-Apr-2022	Reduce	
BBC Finance 003	Funding Cuts	Sandeep Dwesar	4	4	16		27 Apr 2021	4	3	12		30-Apr-2022	Reduce	
BBC H&S 002	Failure to deal with Emergency /Major Incident or Risk of Terrorism	Jonathon Poyner	8	2	16		27 Apr 2021	8	1	8		31-Mar-2022	Reduce	
BBC H&S 003	Fire Leading to Major Incident	Jonathon Poyner	8	2	16		27 Apr 2021	8	1	8		05-Mar-2022	Reduce	

Department Description City of London Schools for Girls

Department Description: City of London Schools for Girls 1

Code	Title	Risk owner	Current Impact	Current Likelihood	Current Risk Score	Current score	Latest Note Date	Target Impact	Target Likelihood	Target Risk Score	Target score	Target Date	Risk Approach	Flight Path
CLSG-01	Loss of income due to drop in student numbers (SA5-Operations)	Jenny Brown; Ena Harrop	8	3	24		28 Apr 2021	4	2	8		31-Dec-2021	Reduce	

Department Description City Surveyor's

Department Description: City Surveyor's 3

Code	Title	Risk owner	Current Impact	Current Likelihood	Current Risk Score	Current score	Latest Note Date	Target Impact	Target Likelihood	Target Risk Score	Target score	Target Date	Risk Approach	Flight Path
SUR CB 003	City Bridges: – Substantial vessel strikes	Paul Wilkinson	8	2	16		05 May 2021	8	2	16		31-Mar-2022	Accept	
SUR CB 006	City Bridges: – Wanton Damage / Terrorism	Paul Wilkinson	4	4	16		05 May 2021	2	3	6		31-Mar-2022	Reduce	
SUR CB 007	City Bridges: – Tunnelling for the Thames Tideway Tunnel	Paul Wilkinson	4	4	16		05 May 2021	4	4	16		31-Mar-2022	Accept	




Department Description Department of Markets and Consumer Protection

Department Description: Department of Markets and Consumer Protection 2

Code	Title	Risk owner	Current Impact	Current Likelihood	Current Risk Score	Current score	Latest Note Date	Target Impact	Target Likelihood	Target Risk Score	Target score	Target Date	Risk Approach	Flight Path
MCP-PHPP 001	Brexit – Impact on Port Health and Animal Health	Jon Averbs	8	3	24		04 May 2021	2	3	6		01-Jan-2022	Reduce	
MCP-SM 012	Building maintenance-management	Jon Averbs	8	2	16		05 May 2021	1	1	1		30-Sep-2021	Reduce	







Department Description Department of the Built Environment

Department Description: Department of the Built Environment 1

Code	Title	Risk owner	Current Impact	Current Likelihood	Current Risk Score	Current score	Latest Note Date	Target Impact	Target Likelihood	Target Risk Score	Target score	Target Date	Risk Approach	Flight Path
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	8	2	16		20 Apr 2021	8	1	8		31-Dec-2021	Reduce	




Department Description Director of Open Spaces

Department Description: Director of Open Spaces 2

Code	Title	Risk owner	Current Impact	Current Likelihood	Current Risk Score	Current score	Latest Note Date	Target Impact	Target Likelihood	Target Risk Score	Target score	Target Date	Risk Approach	Flight Path
OSD 004	Repair and Maintenance of Buildings and Structural Assets	Colin Buttery;	8	2	16		26 Mar 2021	8	2	16		31-Mar-2022	Reduce	
OSD 007	Maintaining the City's water bodies	Colin Buttery	8	2	16		26 Mar 2021	8	1	8		31-Mar-2022	Reduce	





Department Description Mansion House/Central Criminal Court

Department Description: Mansion House/Central Criminal Court 1

Code	Title	Risk owner	Current Impact	Current Likelihood	Current Risk Score	Current score	Latest Note Date	Target Impact	Target Likelihood	Target Risk Score	Target score	Target Date	Risk Approach	Flight Path
MAN CCC 002	Working at Height	Vic Annells; Adam Rout	8	2	16		30 Mar 2021	4	2	8		30-Sep-2021	Reduce	

Department Description Town Clerk's

Department Description: Town Clerk's 2

Code	Title	Risk owner	Current Impact	Current Likelihood	Current Risk Score	Current score	Latest Note Date	Target Impact	Target Likelihood	Target Risk Score	Target score	Target Date	Risk Approach	Flight Path
PA 01	Police Funding	Simon Latham	4	4	16		13 May 2021	4	3	12		31 March 2022	Reduce	
TC PA 02	Action fraud/NFIB re-procurement*	Simon Latham	4	4	16									

* likely to be removed. Awaiting confirmation

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