



## Audit and Risk Management Committee

**Date:** TUESDAY, 12 JULY 2022  
**Time:** 2.00 pm  
**Venue:** COMMITTEE ROOMS, 2ND FLOOR, WEST WING, GUILDHALL

**Members:**

Alderman Prem Goyal (Deputy Chairman)	Paul Martinelli
Gail Le Coz (Deputy Chair)	Alderman Bronek Masojada
Deputy Rehana Ameer	Judith Pleasance
Deputy Randall Anderson	Karen Sanderson (External Member)
Alderman Alexander Barr	Ruby Sayed
Deputy Christopher Boden	Paul Singh
Deputy Henry Colthurst (Ex-Officio Member)	Dan Worsley (External Member)
	Naresh Hari Sonpar

**Enquiries:** Ben Dunleavy  
ben.dunleavy@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/kZTM3XpKFOQ>

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 CHAIR**

**For Decision**

4. **MINUTES OF THE PREVIOUS MEETING**

To agree the public minutes and non-public summary of the previous meeting held on 24 May 2022.

**For Decision**  
(Pages 5 - 12)

5. **OUTSTANDING ACTIONS OF THE COMMITTEE**

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

**For Information**  
(Pages 13 - 14)

6. **COMMITTEE WORK PROGRAMME**

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

**For Information**  
(Pages 15 - 16)

## Governance

7. **ANNUAL GOVERNANCE STATEMENT 2021/22**

Joint Report of the Town Clerk and the Chamberlain.

**For Decision**  
(Pages 17 - 36)

## Internal Audit

### 8. INTERNAL AUDIT UPDATE

Report of the Head of Internal Audit.

**For Information**  
(Pages 37 - 40)

## Risk Management

### 9. RISK MANAGEMENT UPDATE

Report of the Chief Strategy Officer.

**For Information**  
(Pages 41 - 82)

### 10. CORPORATE RISK - DEEP DIVE REVIEW: CR02 LOSS OF BUSINESS SUPPORT FOR THE CITY AND CR10 ADVERSE POLITICAL DEVELOPMENTS

Report of the Head of Internal Audit.

**For Discussion**  
(Pages 83 - 96)

### 11. QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE

### 12. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

### 13. 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

### 14. NON-PUBLIC MINUTES OF THE PREVIOUS MEETING

To agree the non-public minutes of the previous meeting held on 24 May 2022.

**For Decision**  
(Pages 97 - 98)

15. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
  
16. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

## AUDIT AND RISK MANAGEMENT COMMITTEE

Tuesday, 24 May 2022

Minutes of the meeting of the Audit and Risk Management Committee held at Guildhall, EC2 on Tuesday, 24 May 2022 at 2.00 pm

### Present

#### Members:

Alexander Barr  
Alderman Prem Goyal  
Deputy Rehana Ameer  
Deputy Randall Anderson  
Deputy Christopher Boden  
Deputy Henry Colthurst (Ex-Officio Member)  
Gail Le Coz (External Member)  
Judith Pleasance  
Karen Sanderson (External Member)  
Paul Singh  
Dan Worsley (External Member)

#### Officers:

Ben Dunleavy	- Town Clerk's Department
Matthew Lock	- Chamberlain's Department
Chris Keesing	- Chamberlain's Department
Alan Bennetts	- Comptroller and City Solicitor's Department
Peter Collinson	- City Surveyor's Department
Dionne Corradine	- Town Clerk's Department
John Galvin	- City Surveyor's Department
Neilesh Kakad	- Chamberlain's Department
Nathan Omane	- Chamberlain's Department
Sonia Virdee	- Chamberlain's Department
Tabitha Swann	- Town Clerk's Department
Kehinde Olagunju	- Town Clerk's Department
Tina Allison	- Crowe LLP
James Hay	- Crowe LLP

#### 1. APOLOGIES

Apologies for absence were received from Alderman Bronek Masojada, Paul Martinelli and Dan Worsley.

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

Deputy Chris Boden made a declaration in respect of agenda item 20, stating that he was a member of the Audit Registration Committee of the Institute for the

Chartered Accounts of England and Wales, and recused himself from the discussion on this item.

**3. ORDER OF THE COURT**

Members received the Order of the Court of Common Council dated 21 April 2022 appointing the Committee and setting its Terms of Reference.

**4. ELECTION OF A CHAIR**

The Committee proceeded to elect a Chairman in accordance with Standing Order No. 29. Alexander Barr, as the only Member expressing their willingness to serve, was duly elected as Chairman for the ensuing year and took the Chair.

RESOLVED – That Alexander Barr be elected Chair of the Audit and Risk Management Committee for the ensuing year.

**5. ELECTION OF A DEPUTY CHAIR**

The Committee proceeded to elect a Deputy Chairman in accordance with Standing Order No. 29. Alderman Prem Goyal, as the only Member expressing their willingness to serve, was duly elected as Deputy Chair for the ensuing year.

Members elected a Deputy Chair (External) in accordance with a convention adopted by the Committee on 6 March 2018. Gail Le Coz, as the only Member expressing their willingness to serve, was duly elected as Deputy Chair for the ensuing year.

RESOLVED, that – Alderman Prem Goyal and Gail Le Coz be elected as the Deputy Chairs for the ensuing year.

**6. MINUTES OF THE PREVIOUS MEETING**

The public minutes and non-public summary of the meeting held on 18 January 2022 were approved as a correct record.

**7. COMMITTEE WORK PROGRAMME**

The Committee's Work Programme was noted.

The Chair requested that any amendments to the Work Programme be highlighted in an addendum.

**8. APPOINTMENT OF SUB-COMMITTEES**

Members received a report of the Town Clerk & Chief Executive relative to the appointment of the Nominations Sub-Committee and its composition and terms of reference, and the appointment of a Member to serve on the Resource, Risk and Estates Committee of the Police Authority Board.

A Member asked for clarification on the quoracy rules for the sub-committee. The Town Clerk confirmed that the quorum was three Members.

The Chair suggested that both Deputy Chair roles be made ex-officio positions on the Sub-Committee.

RESOLVED, that – Members:

- Agree the appointment, composition and terms of reference for the Nominations Sub-Committee as amended, and appoint the following Members to serve on the Sub-Committee in addition to the Chairman and Deputy Chairs:
  - Rehana Ameer
  - Karen Sanderson
- express no clear preference for whether the representative on the Resource, Risk and Estates Committee be an external or court member; and
- Appoint Randall Anderson to the Resource, Risk and Estates Committee of the Police Authority Board.

**9. ANNUAL REPORT OF THE COMMITTEE**

Members received a Report of the Town Clerk relative to the annual report of the Committee.

The Chair commended the report to the Committee and drew attention to the changes to the informal risk challenge session process, which would now be held on an exception basis. The Deputy Chair (external) commented that it was important to consider how these sessions were provoked; the report mentioned Internal Audit activity but the Deputy Chair felt that the Committee should also be able to request a session if it was felt necessary.

A Member drew the Committee's attention to the reports mention of the Annual Governance Statement. They felt that it was important to highlight governance issues surrounding democratic accountability in the City of London Corporation, particularly due to the impact of postponing the 2021 Common Court elections due to the pandemic.

RESOLVED, that – Members agree the 2021/22 Annual Report of the Audit and Risk Management Committee for onward submission to the Court of Common Council.

**10. ROLES AND RESPONSIBILITIES**

Members received a Report of the Chief Strategy Officer relative to the roles and responsibilities of officers involved in corporate risk management. Agenda Item 14, a report providing a risk update, was considered alongside this item.

Officers clarified that deactivated risks remain on the risk register invisibly and can be reactivated if necessary, with no requirement for them to be returned to departmental level.

With regards to CR02 Loss of Business Support, the Chair commented that the mitigating actions focused on mitigating the impact of the loss of support, rather than the likelihood, but that the document did not reflect this. Officers undertook to return with further details on this risk.

Members discussed the subject of inflation and whether it should be dealt with as a single line item risk, or included, where appropriate, in corporate and departmental risks. The following points were discussed:

- A Member noted that inflation was considered under CR35 Unsustainable Medium Term Finances
- Members felt that the risk level for CR35 was too low at Amber 12
- An Officer said that the Chamberlain's team were working on the impact of inflation, where the pressures were, and how they will be mitigated. The Executive Leadership Board had held a session to consider what inflation meant for each Chief Officer's department. Recommendations would be taken to the RASC away-day.
- The Chair said that inflation would be one of the single biggest risks facing the City Corporation and felt that it would be most efficiently dealt with in the line item of individual risks.

A Member, in reference to CR10, said there that the City of London Corporation was vulnerable to criticism and questions of democratic legitimacy. The Chair suggested that it might be helpful to invite the Remembrancer to a future meeting to discuss this risk.

A Member requested a more granular risk description on CR17 Safeguarding. The Head of Internal Audit replied that there was planned Internal Audit work to look at the whole City Corporation's safeguarding framework.

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

#### 11. **HEAD OF INTERNAL AUDIT ANNUAL OPINION**

Members received a Report of the Head of Internal Audit providing the annual opinion.

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

#### 12. **INTERNAL AUDIT UPDATE**

Members received a report of the Head of Internal Audit providing an update on the work of Internal Audit.

At a Members request, the Head of Internal Audit undertook to investigate the Major Programmes governance arrangements for the new Museum of London project.

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

#### 13. **AUDIT PLANNING**

Members received the reports of the External Auditors, Crowe LLP, for the year ending 31 March 2022 for Bridge House Estates, and City's Cash and Other Charities.

The Chair welcomed the new External Audit team from Crowe LLP.

The following points were noted:

- Crowe are dedicating time to learn about the City of London Corporation, and have had planning meetings with Bridge House Estates and City's Cash. Their initial steps are to understand the City Corporation's systems and controls, primarily those used to produce financial statements;
- Section 4 of the reports, on Fraud and Irregularity, reflected the change in auditing standards requiring auditors to provide greater detail when they saw risks of fraud in an organisation. Specific work is planned to cover these risks;
- The initial audit work will be undertaken in June and July, with follow-up work being undertaken before the final reports are presented in November;
- Crowe gave a guarantee that staffing would allow for the timetable for the external audit would be met;
- At the request of a Member, officers undertook to consider simplifying the narrative statements at the start of the accounts, or providing a summary of the narrative statement;
- It would be difficult to realign with the External Audit team working on the City Fund accounts for this financial year, but in the future the teams can consider how to co-operate.

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

#### 14. **RISK UPDATE**

Members received a Report of the Chief Strategy Officer providing a risk update. This was considered alongside agenda item 10 (please refer to that item for a record of the discussion).

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

- The deactivation of one corporate risk (CR34 COVID-19)
- The merger of two corporate risks (CR23 Police Funding into CR35 Unsustainable Medium-Term Finances)
- The addition of one new corporate risk, previously monitored at departmental level (Surveyor's) as SUR SMT 004 Maintenance and Renewal of Physical Assets.

#### 15. **ANTI-FRAUD & INVESTIGATIONS - 2021/22 ANNUAL REPORT**

Members received a Report of the Head of Internal Audit providing the Anti-Fraud and Investigations Annual Report for 2021/22.

The Chair requested that officers return with a presentation on the methodologies and resources employed by the Anti-Fraud team.

A Member raised concerns that the public relations office had taken the decision not to proactively publicise the outcome of a successful prosecution by the Anti-Fraud team. The Chair requested that officers look into this decision.

A Member expressed concern on the number of cases on single person discount fraud, and requested further information on this. The Chair suggested that this should be included in the presentation.

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

16. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**  
In response to a question from a Member on auditing Common Council and Aldermanic elections, the Chair undertook to write a letter to the Chairman of the Policy & Resources Committee to highlight the Committee's concerns.

17. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**  
A Member asked if the Committee should be considering risks around residential wards. The Chair commented that these risks sit across a number of departments and the issues are periodically raised in Deep Dives to the Committee. A Member suggested that the Head of Internal Audit investigate the function of major works operations on the Corporation's social housing and the Barbican Estate. The Head of Internal Audit replied that this topic tied in with key themes that were already being considered by Internal Audit.

Members agreed to extend the meeting under Standing Order 40.

18. **EXCLUSION OF THE PUBLIC**  
**RESOLVED**, that – under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items 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.

19. **NON-PUBLIC MINUTES OF THE PREVIOUS MEETING**  
The non-public minutes of the previous meeting held on 18 January 2022 were agreed as a correct record.

20. **EXTERNAL AUDITOR APPOINTMENT**  
Members received a report of The Independent Auditor Appointment Panel and The Chamberlain relative to the appoint of an external auditor.

RESOLVED, that – Members:

- Approve Grant Thornton as the appointed auditor for City Fund and the Pension Fund.
- Authorise the Chamberlain, in consultation with the Chairman and Deputy Chairman of Audit and Risk Management Committee, to finalise the contract for these services.

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

There were no non-public questions.

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

There was no other business.

**The meeting ended at 4.02 pm**

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Chairman

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ben.dunleavy@cityoflondon.gov.uk**

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AUDIT AND RISK MANAGEMENT COMMITTEE – Outstanding Actions – July 2022

Items from meeting held 24 May 2022		
ITEM	Action	Officer and target date
<b>12. Internal Audit Update</b>	Investigate the Major Programmes governance arrangements for the new Museum of London project.	Head of Internal Audit 27 September 2022
<b>14. Risk Management Update</b>	Return to the Committee with further details on CR02 Loss of Business Support	Head of Internal Audit 12 July 2022
<b>14. Risk Management Update</b>	Return to the Committee with further details on CR10 Adverse Political Developments	Head of Internal Audit 12 July 2022
<b>15. Anti-Fraud &amp; Investigations – 2021/22 Annual Report</b>	Prepare a presentation on the methodologies and resources employed by the Anti-Fraud team.	Corporate Anti-Fraud Manager <i>tbc</i>

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Italicised items have been added or amended

Category	12.07.2022	27.09.2022	22.11.2022
<b>Governance</b>	Annual Governance Statement <b>(Decision)</b>	<i>Terms of Reference Review</i> <b>(Discussion)</b>	
<b>Internal Audit and Counter Fraud</b>	Internal Audit Plan Delivery update <b>(Information)</b>		Internal Audit Plan Delivery update <b>(Information)</b>
<b>Risk Management</b>	Risk Management Update <b>(Information)</b>		Risk Management Update <b>(Information)</b>
<b>Deep Dive</b>	<i>CR02 and CR10 (Discussion)</i>		TBC
<b>Accounts</b>		Draft Bridge House Estates Accounts <b>(Decision) - tbc</b>	<i>Draft City's Cash Accounts</i> <b>(Decision) - tbc</b>
			<i>Draft City Fund and Pension Fund Accounts</i> <b>(Decision) - tbc</b>
<b>External Inspections</b>			
<b>Other</b>			

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<b>Committee(s)</b>	<b>Dated:</b>
Audit and Risk Management Committee	12/07/2022
<b>Subject:</b> Annual Governance Statement 2020/21	<b>Public</b>
<b>Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?</b>	<b>N/A</b>
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>N</b>
<b>If so, how much?</b>	<b>N/A</b>
<b>What is the source of Funding?</b>	<b>N/A</b>
<b>Has this Funding Source been agreed with the Chamberlain’s Department?</b>	<b>N/A</b>
<b>Report of: Town Clerk and Chamberlain</b>	<b>For Decision</b>
<b>Report author: Barbara Hook Assistant Director Corporate Planning</b>	

## Summary

This report presents the Annual Governance Statement (AGS), as required by the Accounts and Audit (England) Regulations 2015 and prepared in accordance with practice guidance: “Delivering Good Governance in Local Government” – issued jointly by the Society of Local Authority Chief Executives and Senior Managers and the Chartered Institute of Public Finance and Accountancy.

## Recommendation(s)

Members are asked to:

- Consider and approve the AGS, Appendix 1, for signing by the Chair of the Policy and Resources Committee and the Town Clerk and Chief Executive
- Note that the AGS will be published alongside the 2021/22 City Fund and Pension Fund Statement of Accounts
- Delegate authority to the Town Clerk and Chief Executive, in consultation with the Chairman and Deputy Chairmen of this Committee, to amend the AGS for any relevant significant events or developments that occur prior to the date on which the Statement of Accounts is signed by the Chamberlain.

## Main Report

### Background

1. This report presents the City Corporation’s Annual Governance Statement (AGS), preparation of this statement is a requirement of The Accounts and Audit (England) Regulations 2015, which apply to the City of London’s City Fund activities. Specifically, as an audited body, the City Corporation must conduct a review each financial year of the effectiveness of its system of internal control and publish an AGS, alongside the authority’s Statement of Accounts.

2. The Chartered Institute of Public Finance and Accountancy (CIPFA), in association with the Society of Local Authority Chief Executives and Senior Managers (SOLACE), publishes a Delivering Good Governance in Local Government: Framework and an accompanying guidance note, which represents the proper practice guidance in relation to this.
3. The AGS must be signed by the most senior officer (Chief Executive or equivalent) and the most senior Member (Leader or equivalent). Following a resolution of this Committee in March 2012, the Policy and Resources Committee approved a report on the process for producing the AGS, and approved the practice whereby the AGS is approved by this Committee and signed by the Chairman of the Policy and Resources Committee.
4. The Audit and Risk Management Committee has a key role within the 'review of effectiveness' of the City's governance framework, including the system of internal control. One of its prime responsibilities is to review the work of the internal auditors, consider the risk management framework, and consider comments made by the external auditors and other review agencies and inspectorates.

### **Current Position**

5. The report follows the improved structure set out by the Head of Internal Audit for the 2020-21 AGS as part of supporting and improving the process, to help drive improvement in the overall effectiveness as allowed for by CIPFA guidance.
6. The AGS is shown as Appendix to this report, the document has been reviewed by the Executive Leadership Board on 15<sup>th</sup> June.
7. The intended purpose of the statement is to describe what steps the organisation has taken to evaluate the adequacy and effectiveness of its systems of governance and provide an overall conclusion thereon. When reviewing the Draft 2020-21 AGS in October 2021, Members indicated that they wished to see a number of improvements to the 2021-22 AGS and these points have been incorporated accordingly. A copy of the Summary of Points Raised in Relation to the Draft Annual Governance Statement 2020/21 updated with the Action Taken for the Draft Annual Governance Statement 2021/22 is included as Appendix 2.

### **Conclusion**

8. Members are asked to consider and approve the AGS, prepared in accordance with the requirements of The Accounts and Audit Regulations 2015 and associated recognised practice guidance. Once approved by this Committee, the AGS will be presented to the Town Clerk and Chief Executive and Chair of Policy and Resources for signature and will subsequently be published alongside the financial statements for the City Fund and Pension Fund.

### **Appendices**

- **Appendix 1** - Draft City of London Corporation AGS 2021/22

- **Appendix 2** - Summary of Points Raised in Relation to the Annual Governance Statement 2020/21 updated with the Action Taken for the Draft Annual Governance Statement 2021/22

**Barbara Hook**

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**Annual Governance Statement 2021/22**

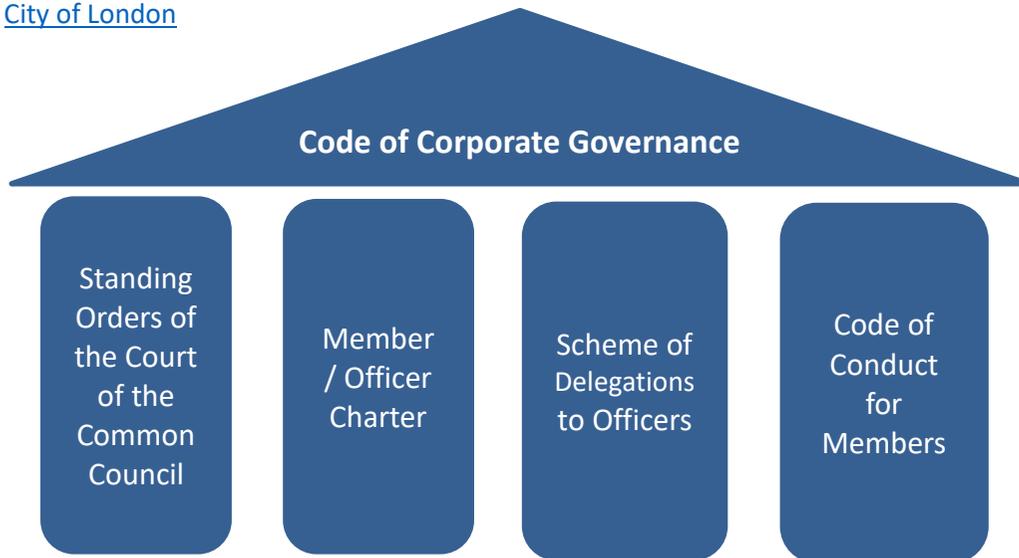
**Executive Summary**

1. The City Corporation has approved and adopted a code of corporate governance which is consistent with the principles of the CIPFA/SOLACE *Delivering Good Governance in Local Government Framework 2016*.
2. This statement explains how the City Corporation has complied with the code and also meets the requirements of regulation 6(1) of the Accounts and Audit (England) Regulations 2015, which requires all relevant bodies to prepare an annual governance statement.
3. The City of London Corporation is satisfied that appropriate governance arrangements are in place. The organisation is committed to continuous improvement and changes that are due to be made in the coming year will strengthen this position further.

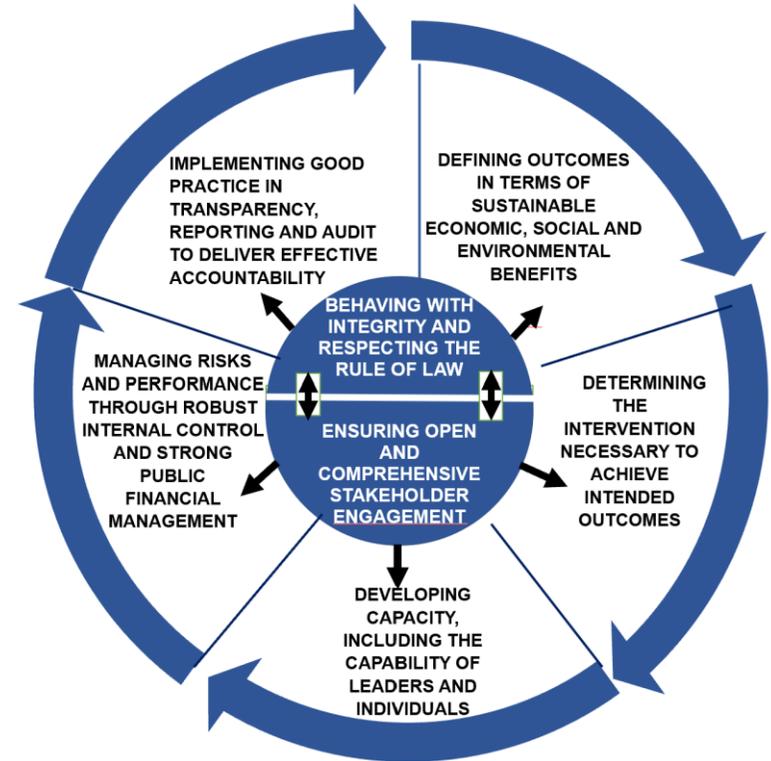
**Code of Corporate Governance**

4. The principles of good governance are embedded within a comprehensive published Code of Corporate Governance. This code covers both the Local authority and Police Authority roles, and links together a framework of policies and procedures, all of which are published on the City of London Corporations web pages at the following location: [Corporate Governance - City of London](#)

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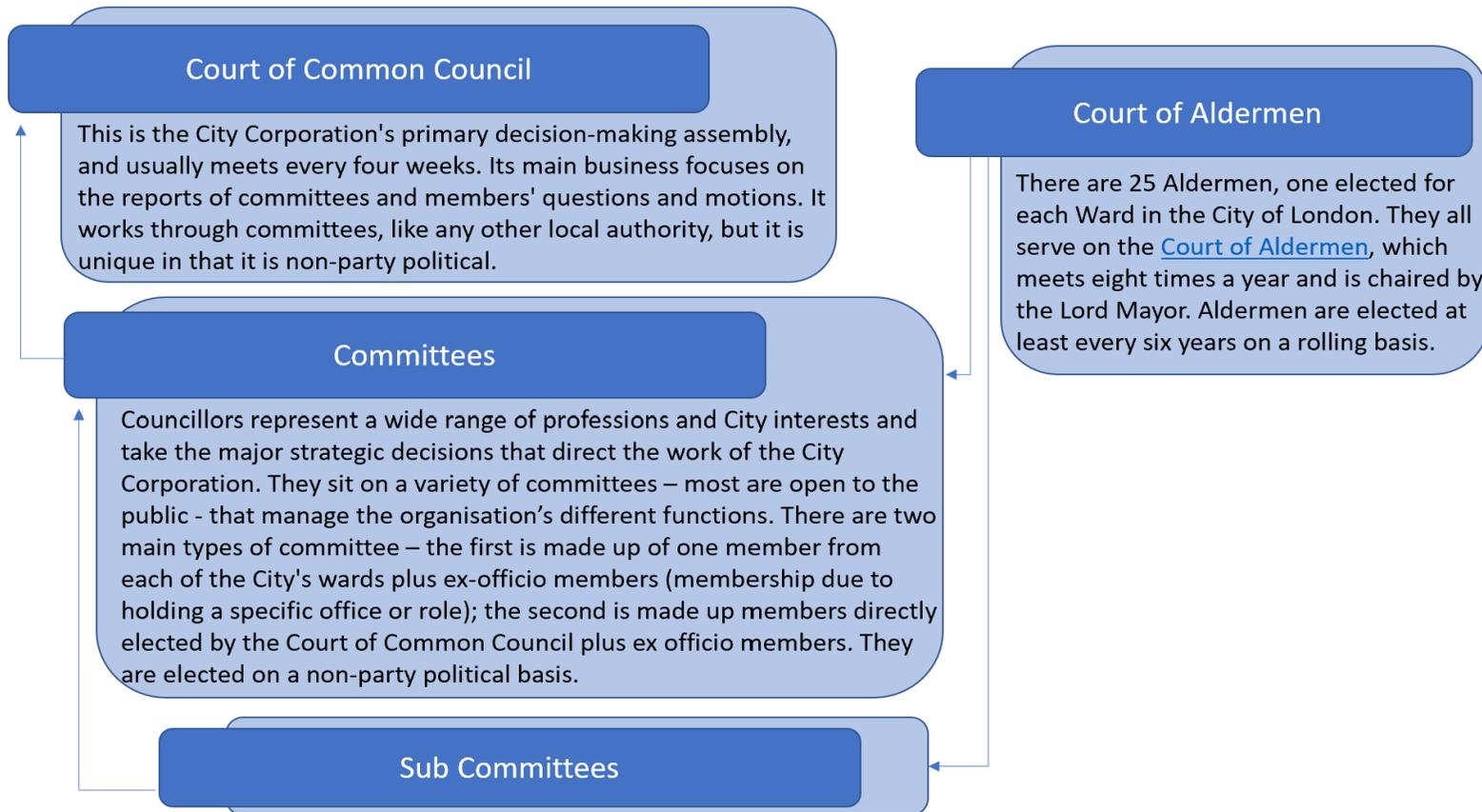


The Code of Corporate Governance forms a series of regulatory documents and protocols which govern how we operate and take decisions. These procedures are followed to ensure our actions are fair, efficient, transparent, and accountable.



- The [Standing Orders of the Court of the Common Council](#) outline how the court shall be run.
- Our [Member/Officer Charter](#), in conjunction with the City Corporation’s Member and Employee codes of conduct, ensures that appropriate working relationships and mutual expectations are more clearly established and promoted between Members and Officers.
- The Court of Common Council has agreed the principle that authority should be delegated to Chief Officers (and their nominated Deputies or Assistants) under the [Scheme of Delegations to Officers](#) for carrying out the day-to-day management of all services and for the discharge of specific statutory and non-statutory functions.
- The [Code of Conduct for Members](#) states members shall have regard for the Seven Principles of Public Life: Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty and Leadership.

5. Our decision-making arrangements operate on a committee-based system whereby elected Members (Councillors) are appointed annually to serve on our many committees and sub committees. These committees, the principal governing body being the [Court of Common Council](#), meet regularly throughout the year.



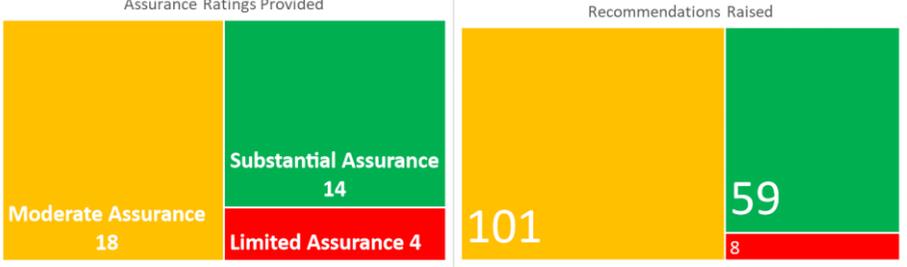
6. Key features of the City Corporation’s Governance Framework include effective leadership, scrutiny and review, and robust decision making and risk management.

Key Elements of the Governance Framework			
<p><b>Members, Committees and Policy Chair</b></p> <p>Provide leadership and set policy to maintain the City’s global standing as a vibrant and thriving City, supporting a diverse and sustainable London within a globally successful UK</p>		<p><b>Scrutiny and Review</b></p> <p><a href="#">Committees</a> scrutinize and review the City Corporation’s policy, plans and performance:</p> <ul style="list-style-type: none"> <li>• Audit and Risk Management Committee</li> <li>• Efficiency and Performance Sub (Finance) Committee</li> <li>• Finance Committee</li> <li>• Policy and Resources Committee</li> <li>• Police Authority Board</li> <li>• Bridge House Estates Board</li> </ul>	
<p><b>Decision making</b></p> <p>Committee meetings are held in public and recordings are available on <a href="#">City of London Corporation – YouTube channel</a> for up to one year</p> <p>Decisions <a href="#">are recorded</a> on the City Corporation website</p>		<p><b>Town Clerk and Chief Executive, Deputy Town Clerk and Chief Officers</b></p> <p>The <a href="#">Town Clerk and Chief Executive</a> is the Head of Paid Service and responsible for City Corporation staff and for leading the Chief Officer executive leadership team. The Deputy Town Clerk is responsible for servicing meetings of the Court of Common Council and Court of Aldermen, their committees, sub-committees and working parties, acting as the Electoral Registration Office and being responsible for the City of London Corporation’s Communications. The Chamberlain and Chief Finance Officer is the City Corporation’s s.151 Officer responsible for ensuring the City Corporation’s financial position. The Comptroller and City Solicitor is the Monitoring Officer who with the Town Clerk and Chief Executive is responsible for ensuring legality and promoting high standards of public conduct.</p>	
<p><b>Risk Management</b></p> <p>Corporate risks are considered quarterly by the Executive Leadership Board and reported to the Audit and Risk Management Committee</p>			

**The Corporate Plan 2018-23**

7. The City of London Corporation [Corporate Plan 2018-23](#) provides the framework for the delivery of our services. We aim to contribute to a flourishing society, support a thriving economy and shape outstanding environments. Our annual Business Planning process is aligned to the Corporate Plan outcomes, with the objective of focusing the City Corporation’s ambition, resources and performance on the achievement of twelve strategic outcomes. Development of the Corporate Plan 2024-29 is underway under the direction of the new Chief Strategy Officer, appointed in 2021.

**Review of Effectiveness**

Governance Key Performance Indicators	Outcome												
Internal Audit Work: 38 Internal Audit reviews were completed in 2021/22, 50% of which resulted in a Moderate Assurance opinion, a small minority of Limited Assurance opinions were given with the remainder of areas reviewed receiving Substantial Assurance. A total of 168 recommendations were raised by Internal Audit, more than half of which were given an Amber priority rating, requiring prompt attention from Management. Less than 5% of recommendations raised were Red (critical) priority.	 <p>Assurance Ratings Provided</p> <table border="1"> <tr> <td>Moderate Assurance</td> <td>18</td> </tr> <tr> <td>Substantial Assurance</td> <td>14</td> </tr> <tr> <td>Limited Assurance</td> <td>4</td> </tr> </table> <p>Recommendations Raised</p> <table border="1"> <tr> <td>Total</td> <td>101</td> </tr> <tr> <td>Substantial Assurance</td> <td>59</td> </tr> <tr> <td>Red</td> <td>8</td> </tr> </table>	Moderate Assurance	18	Substantial Assurance	14	Limited Assurance	4	Total	101	Substantial Assurance	59	Red	8
Moderate Assurance	18												
Substantial Assurance	14												
Limited Assurance	4												
Total	101												
Substantial Assurance	59												
Red	8												
Fraud identification: proven fraudulent activities carried out by members or staff	None in 2021/22												
Outcomes of investigations carried out by Monitoring Officer or Standards Committee	None in 2021/22												
s151 formal issues raised	None in 2021/22												
Local Government Ombudsman referrals (where upheld)	None in 2020/21 (update when the 2021/22 data is available)												
Meeting statutory deadlines/targets as per Electoral Commission Performance Standards	Achieved												
Freedom of Information and Environmental Information Regulations	2021: 95.5% of FOI and EIR requests responded to within the statutory compliance deadline. Information Commissioners Office target: 90% of FOIs responded to in time. Complaints received concerning request responses: 9% upheld, 13% partially upheld, 77% not upheld.												

**The Governance Review**

8. Robert Rodgers, The Lord Lisvane, was commissioned to undertake [an independent review of the City Corporation's governance arrangements](#) in 2019. His findings were received in September 2020. The review was scrutinised by the Court of Common Council through regular Member Engagement Sessions; each aspect of the review and the Court's decision-making arrangements was explored in detail and views were sought on revising the committee structure and governance arrangements to be a more effective, efficient and relevant decision-making structure. Initially, up until 31 March 2021, consideration had been given to the organisation's constitutional arrangements and support given to the abolition of the Standards Committee and the Standards Appeal Committee, the introduction of Independent Panels to receive allegations of misconduct, determine whether to investigate, present findings to the Court, and hear any appeal; the creation of the now-named Competitiveness Advisory Board as well an Emergency Committee to provide Member oversight in emergency situations in future. In December 2021, further changes were agreed upon by Court and full implementation of a revised structure will take place after the 2022 Ward elections. This will see a wholesale restructure of the Court's Committees, in line with the Review recommendations. Committees will then be responsible

for enacting changes with respect to their sub-committees. There will still be ongoing development in some areas of governance, such the City's Planning and housing functions. The Court of Common Council has agreed to review all new Governance arrangements after two years, however, if any areas are identified as problematic, an urgent focused assessment will be conducted to recommend changes to the appropriate body. Work undertaken by Internal Audit during 2020/21 did not identify any material issues or weaknesses, though various recommendations have been made to improve governance arrangements within individual operational areas. These recommendations do not form part of the Annual Governance Statement action plan but remain within the oversight of Internal Audit and the Audit and Risk Management Committee.

9. The Head of Internal Audit and Risk Management has provided an annual opinion stating that the City has adequate and effective systems of internal control (which includes governance arrangements) in place to manage the achievement of its objectives. This is informed by completed Audit work, discussion with key officers and observation of the governance process in operation, with particular regard to the implementation and continued operation of amended governance processes to address the impact of the COVID-19 pandemic.

### Independent Panel

10. The review of the Standards regime resulted in the abolition of the previous Standards Committee and the Standards Appeal Committee and the creation of an [Independent Panel](#). The new Panel comprises a diverse group of independent persons only appointed by the Court of Common Council following a transparent advertising and recruitment process. Its purpose is to receive allegations of misconduct, determine whether to investigate, consider the outcome of investigations and if necessary, hold a hearing and only appeal and present recommendations to the Court. The new regime involves a three-stage process, an assessment stage, a hearing stage and an appeal stage. The new Panel is also responsible for considering requests for dispensations. Other elements of the Standards Committee's work are currently retained under the auspices of the Policy and Resources Committee, pending the outcome of the governance review, e.g. promoting and maintaining high standards of conduct by Members and Co-opted Members and keeping under review and monitoring the following: -

City of London Corporation's  
Member Code of Conduct  
together with any guidance

City of London Corporation's  
Employee Code of Conduct by way  
of an annual update by the  
Director of HR

The Protocol on  
Member/Officer Relations

Training Members and Co-opted  
Members on matters relating to the  
City of London Corporation's Code  
of Conduct

### Performance Management

11. Work had previously started on a Corporate Performance Framework (CPF) aiming to capture around 300 organisational performance indicators from data streams collated from across the organisation. This work was paused in Q2 2021 while the Corporate Strategy and Performance Team (CSPT) went through its Target Operating Model (TOM) review. Following the TOM restructure work remained on hold as a consequence of staff changes and recruitment, recommencing at the end of 2021, once the new Assistant Director for Corporate Performance & Analysis was in post. An informal review of existing CPF activity has been completed. Findings indicated that the original performance indicators identified may be of value to some areas of the organisation where they relate to specific work programmes. However, collectively they fall short of providing overarching strategic performance indicators for City Corporation. The Framework also lacked any way of delivering strategic oversight of organisational activity. Nor did the CPF provide a means of visualising organisational activity or progress over time. A shift towards performance indicators measuring outcomes – especially when these are specific, measurable, achievable,

relevant and timebound – and ways of visualising data to make it more accessible, and allow for increased analysis, is necessary to provide more depth to corporate understanding of performance and use this data to inform strategic decision making.

12. In late March 2022 a discussion took place on the CPF at the Executive Leadership Board. Agreement was reached that it was necessary to refocus previous activity in order to deliver a workable solution for the CPF. This iteration of the framework aims to be focussed on identifying ways of tracking relevant strategic outcomes, developing ways of using data that underpin this to visualise activity for City Corporation. The updated CPF will also be designed for continuous improvement, with ongoing feedback on content encouraged. This work is being developed in tandem with the new Corporate Plan so as to ensure alignment of performance and strategic plans – however, parts of the CPF will be available in 2022, in advance of the new plan.

### **Financial Management Arrangements**

13. The Chamberlain is the Chief Finance Officer in accordance with section 151 of the Local Government Act 1972 and has overall responsibility for the proper administration of the City’s financial affairs. CIPFA’s 2010 Statement on the Role of the Chief Financial Officer in Local Government defines the key responsibilities of this role and sets out how the requirements of legislation and professional standards should be met. The City’s financial management arrangements were reviewed and found to conform to the governance requirements of the Statement. The Chamberlain also fulfils the role of Treasurer of the Police Authority. Compliance with [CIPFA’s Financial Management Code](#) was been reviewed and the areas for action in relation to this are set out in [Appendix 1](#).
14. The City Corporation culture is to maximise returns from its resources and seek value for money. It assesses the scope for improvements in efficiency/value for money by a variety of means, including improvement priorities set by the Policy & Resources Committee through the annual resource allocation process, and internal examination and review by the Efficiency & Performance (Finance) Sub Committee. The Efficiency & Performance Sub Committee has responsibility for monitoring and oversight of the Efficiency and Sustainability Plan and of departmental Economy, Efficiency and Effectiveness (EEE) Health Checks. These include consideration of income, helping to embed further a value for money culture within the City Corporation’s business planning processes. The Projects Sub Committee meets monthly to ensure that projects align with corporate objectives and strategy and provide value for money. Oversight for the major programmes is provided by the Capital Buildings Committee, meeting every two months, supported by a monthly Major Programme Assurance board.

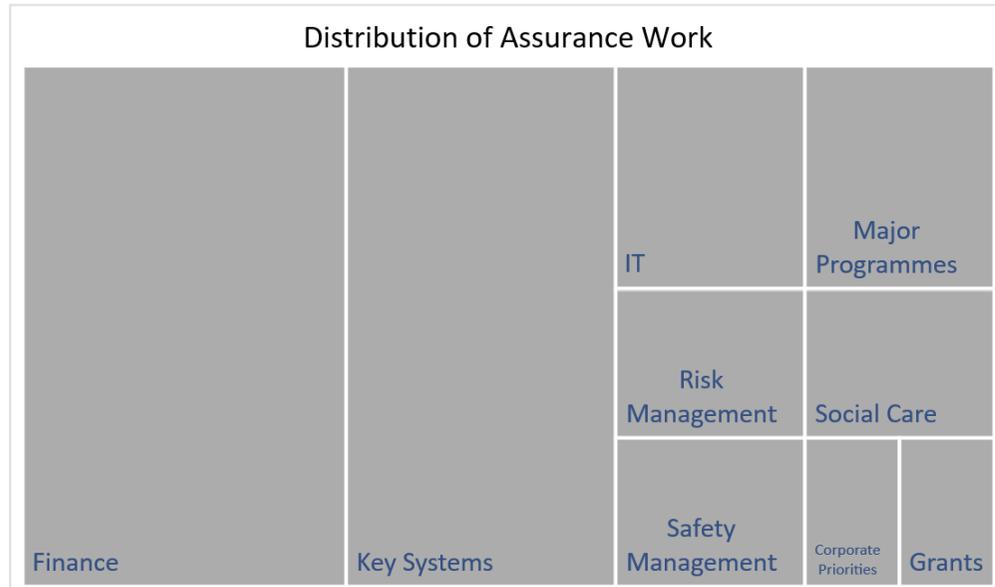
### **Risk Management**

15. The City Corporation has established formal Risk Management arrangements which include the development and maintenance of corporate, departmental, and service risks, their regular review by departmental senior management, through the Chief Officer Risk Management Group, and reported to the relevant Grand/Service Committee. These arrangements are subject to annual review by the Audit and Risk Management Committee and have continued to operate effectively.
16. The Audit and Risk Management Committee continued to play an important and integral part in ensuring that our most important risks were reviewed through regular risk updates and deep dives of corporate risks on a rolling basis. The Committee also continued to operate the Informal Risk Challenge process, meeting with Chief Officers individually to evaluate their approach to managing risk within their operations.
17. An external Risk Management Health check was undertaken in 2021/22 which found that:

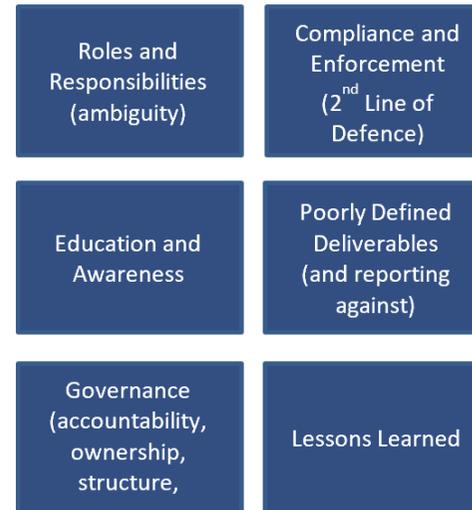
“Overall, the Health Check review found that the City Corporation’s risk management approach aligns with best practice, it strives for continuous improvement, recognising that there are always improvements that can be made to its effectiveness.”

**Role of Internal Audit**

18. Internal Audit has provided independent and objective assurance across a range of City Corporation activities and services, in accordance with the Annual Internal Audit Plan (part of a 3-year Strategic Audit Plan). The Audit Plan has been managed proactively throughout the year with the engagement and support of the Audit and Risk Management Committee; amendments were made to accommodate the continued impact of the Target Operating Model review, with work being reprioritised and rescheduled accordingly. The diagram below indicates the broad categorisation of assurance work within the Internal Audit programme of work and the key themes emerging from Audit findings:



**Key themes emerging:**



19. In accordance with the requirements of the Public Sector Internal Audit Standards, an annual self-assessment has been undertaken and confirmed that the City Corporation’s Internal Audit function conforms with the requirements of the standards.

**Audit and Risk Management Committee**

20. The [Audit & Risk Management Committee](#) has a wide-ranging but focused brief that underpins the City of London Corporation’s governance processes. It met this remit via structured independent challenge and oversight of the adequacy of Corporate and departmental risk management, in addition to the internal controls and financial reporting frameworks.

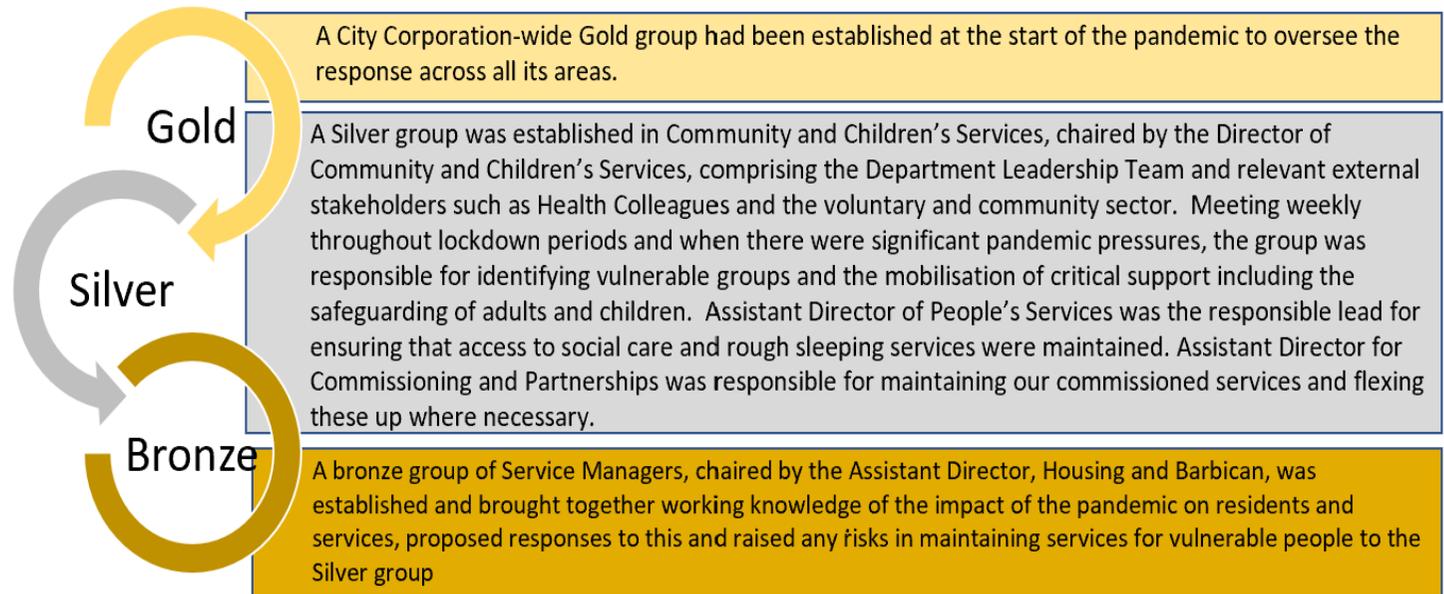
**Headline outcomes for the year include:**

- Adding greater depth to the oversight and scrutiny of effective risk management through the Informal Risk Challenge Process and “deep dive” reviews
- Driving the continued evolution of risk management organisation wide, both on the part of Officers within departments, and also elected Members
- 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
- Ensuring timely and effective implementation of Internal Audit recommendations through a robust process of follow-up activity

**Key Governance Issues**

**COVID-19**

21. Under the Civil Contingencies Act 2004 the City of London Corporation is a Category 1 responder. It therefore has statutory responsibilities under the act and the emergency provisions that comes with it. The outbreak of the COVID-19 pandemic in 2020 resulted in officers deploying command and control structures in order to effectively manage the City Corporation’s response to the global crisis. Officers worked, and continue to work, with Public Health England and other partners, in accordance with current Government guidance, to maintain the organisation’s critical and other services and to minimise the impact of COVID-19 on the City’s communities in the lead up to a return to normality.
22. The introduction of [temporary emergency measures](#) enabled formal decision-making meetings to be undertaken virtually until 6<sup>th</sup> May 2021. The ability to operate in this manner was very successful, it introduced more flexibility, helped to facilitate greater public scrutiny, and aided Members and officers in conducting business more efficiently. Prior to the introduction of virtual meetings, matters which required an immediate formal committee decision were dealt with in accordance with [Standing Order No 41\(a\)](#) i.e. under the urgency procedures. Decisions taken in this manner usually involves consultation with just the Chairman and Deputy Chairman of a committee, but the process was extended so all Members of a committee had the opportunity to comment before a decision was taken. The arrangements were lifted but temporarily re-imposed from 16 December 2021 to 27 January 2022 due to the Omicron outbreak.
23. The management of risk has been at the heart of the governance arrangements employed to manage the City Corporation’s response to COVID-19. The City Corporation’s Gold group agreed a risk management protocol which set out the process by which the corporate risk for COVID-19 (CR34) and operational risks (silver/ thematic group) were identified, assessed, managed, and reported. The Audit and Risk Management Committee received detail of all the COVID-19 risks.
24. Throughout the period, the City Corporation ensured that access to services was maintained for vulnerable people and that additional support was provided where required.
25. Since March 2020, the City has been delivering a range of Grant support to City Businesses, primarily focussed on the Retail, Hospitality and Leisure Sectors, on behalf of Central Government. The City’s own City Business Support Grant scheme has delivered around £15m to SME Retail, Hospitality and Leisure



businesses. The City's Business Rate Enhanced Retail and Hospitality Relief scheme, gave 100% relief from business rates to businesses in these sectors in the first three months of 2021/22 financial year, followed by a 66% reduction for the remainder of the year.

### **Afghanistan**

26. In September 2021 the City Corporation was informed that the government had secured two "bridging hotels" in the Square Mile to provide temporary homes to families evacuated from Afghanistan. The urgency with which this operation was delivered meant there was little early clarity in terms of the host local authority's responsibilities or role. Early in the placement of these families the government asked the City Corporation to provide "wrap around" support. The support aims to ensure families health and welfare needs are being met, that people are safe, that children and young people get school and college places, and families can access to health, welfare benefits and other support. The delivery of this role was supported by government funding to the City Corporation. A Gold group established at the outset period to provide leadership and decision making to secure immediate resource and delivery was replaced by a humanitarian assistance working group chaired by the Executive Director – Community and Children's Services. It brought together internal and external stakeholders to provide co-ordination and accountability. It is supported by an operations group. The department's Head of Finance and two Assistant Directors form a finance group to assess and approve requests for funding to deliver services and ensure funding is used effectively and in line with the guidance of government. A policing group meets to review incidents and intelligence to ensure guests remain safe. The City Corporation also participates in London Councils' Afghan Bridging Hotels group, where all London authorities hosting bridging hotels convene to identify common issues and share information.

### **Ukraine**

27. Following the Russian Invasion of Ukraine the UK has imposed a range of sanctions on Russia in addition to those which have been in place since 2020. A Gold Group chaired by the Chief Operating Officer was put in place in March 2022 to ensure that the City Corporation is compliant. The City Corporation's City Bridge Trust is also helping Ukrainian refugees receive a warm and safe welcome.

### **Equality Diversity & Inclusion**

28. Equality, Diversity & Inclusion (EDI) needs continued to gain increased prominence and recognition in the Corporation. The Tackling Racism Taskforce proposed 35 [recommendations](#) that the City Corporation implemented to promote economical, educational, and social inclusion. The Corporation worked closely with Barbican Centre to respond to the publication of [Barbican Stories](#), acting quickly to put in place an External Review by employment and equality law specialist Lewis Silkin LLP, and a HR Audit of working practices at the Barbican and beyond. The Barbican EDI Plan was updated and a dedicated Interim Director of Equity, Inclusion and Diversity was appointed. The Nominations, Effectiveness and Inclusions Committee oversees the Barbican Centre's EDI policies. In November 2021, funding of a small but focussed team to support the Head of Equality, Diversity & Inclusion (EDI) was agreed. The dedicated EDI function will provide access to professional expertise and specialist knowledge in the areas of Leadership, Culture, Line management, Behaviours, Career progression, Policies and practices, Customer satisfaction and Supply chain involvement. It will also be critical to the City Corporation in ensuring it meets its requirements under the Equality Act 2010. Executive Leadership Board approval was given to establish a pool of EDI reps in the organistaion who will assist the City of London Corporation in meeting its requirements on EDI.

29. The City Corporation continued its upward progress in the [Social Mobility Employer Index](#), moving up 10 places in 2021 to rank 40th in the national league table of organisations which work to attract and progress talent from a wide range of backgrounds. The City Corporation continued to lead the Government-commissioned [Socio-Economic Diversity Taskforce](#), which has over 100 employers represented across UK financial and professional services.

**Target Operating Model**



30. Implementation of a new Target Operating Model (TOM) for the Corporation was taken forward in 2021/22 to align activity and resources and build competence and capability to better enable the organisation to achieve Corporate Plan outcomes and drive competitiveness in the sectors where it operates. TOM Programme Office oversight of five workstreams - Tier 1 Restructure / Talent & Leadership, Organisational Design, Enabling Functions, Ways of Working, Institutions, and Behaviours & Culture - came to an end in March 2022 with oversight transferring to the Chief Strategy Officer. Effective governance was

provided by the Design Advisory Board, TOM Steering Group, and Establishment Committee. All departments and institutions produced Committee proposals to align their structures with the TOM Organisational Design principles. The approved proposals mean that the financial target of the TOM has been met. Success measures and metrics are being developed for the Target Operating Model whilst Departments continue to seek agreement to implement further phases of change, and transition to business as usual. A post implementation Review will be undertaken in 2023.

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**Electoral arrangements**

31. The City Corporation administers electoral registration and elections in the City of London and maintains an accurate database of organisations and individuals in the City of London who are eligible to register to vote. Three separate registers are maintained: the Common Hall Register of Liverymen, the Ward Lists and the Electoral Register. Information on [the electoral process and how to vote](#) is published on the City Corporation website. Common Hall is one of the assemblies through which the City Corporation operates and is a meeting of the Liverymen of the City of London Livery Companies, held at Guildhall twice a year, to elect officers of the City including the Sheriffs and the Lord Mayor. The Lord Mayor is elected annually at Michaelmas, on 29 September, and the City's Sheriffs are elected after Midsummer day on 24 June. Sheriffs support the Lord Mayor in their official duties undertaken on behalf of the City Corporation.

32. City-wide elections due to be held in 2021 were delayed to March 2022, in recognition of the COVID-19 pandemic impact on Ward List voter registration. A campaign to improve the voter statistics for the City, and a dedicated [Speak for the City](#) website that enabled voter registrations and provided information on how to stand as a candidate, meant workers and residents who were entitled to vote in the election were not disenfranchised because of the effects of the pandemic, and the City's electoral register for the March 2022 elections stood at its highest level for seven years with almost 20,000 voters, up nearly 50% on the previous year. 38 new members and 62 returning members were elected to the Court of Common Council. Of these, 32 were women – an increase of eight on the figure from 2017 (24). More than half of new candidates were either women or people from black, Asian or minority ethnic backgrounds. Aldermanic elections will resume after the publication of the Ward Lists in 2022.

**Accountability and Action Plans**

33. Progress has been taken to address significant governance issues identified in the Annual Governance Statement 2020-21:

Issue identified	Action Taken	Outcome
Work to further develop, refine, implement and embed a Corporate Performance Framework will resume once a team is in place (initiated in Nov 2021). In the meantime, a successful application to issue Power BI licences to all staff means that Departments can now access real-time performance data as and when required. Corporate Performance Framework will be used to provide performance information for scrutiny at Committee, corporate, strategic, departmental, service and operational levels, as well as in published reports.	Recruitment action was successfully completed through the end of 2021/22, enabling a review of the Corporate Performance Framework to be undertaken. Work on the CPF remains ongoing, with the future approach having been agreed by the Executive Leadership Board in March 2022.	Ongoing
In 2022, the Executive Leadership Board will consider Organisational Performance as a standing agenda item at its monthly meetings to ensure transparency, oversight, ownership and scrutiny of performance across the organisation.	Included as a regular item in the Executive Leadership Board Forward Plan for 2022.	
Officer Governance has been reviewed to enable more agile and proactive working. From June 2021 The Executive Leadership Board (ELB), made up of our senior leadership team with quarterly attendance from Heads of Institutions, will set, refresh and align on strategy, share major risks, review performance, make key decisions, manage talent & succession and collaborate across the organisation. Tier 2 leaders across the organisation will also be invited to attend quarterly meetings of the refreshed Senior Leaders Forum (SLF), which will connect on plans across the organisation, shaping strategy, initiatives and decisions before they are escalated to the ELB.	Officer governance and the route whereby issues can be escalated through the reshaped Senior Leaders Forum and Executive Leadership Board is included on the City Corporation intranet.	
Review of the decision-making process to be carried out to create more sustainable decision-making processes using hybrid meetings.	The Court of Common Council has agreed to review all new Governance arrangements after two years.	
Further consideration of the findings of the Lisvane review and implementation of recommendations as appropriate.	The Court of Common Council considered each aspect of the review, and changes agreed in December 2021, will see a revised committee structure put in place after the 2022 Ward elections. An Independent Panel, a Competitiveness Advisory Board and an Emergency Committee have been implemented.	
Risk management maturity exercise to be undertaken.	An external Risk Management Review by Risk Management Partners (RMP) in mid-2021 provided assurance to Executive Leadership Board and to the Audit and Risk Management Committee as to the effectiveness of risk management arrangements.	

34. The City Corporation proposes over the coming year to take the following actions to address these significant governance issues:



35. This annual governance statement was approved by the City Corporation's Audit and Risk Management Committee on TBC [12<sup>th</sup> July 2022.]

John Barradell  
Town Clerk and Chief Executive  
Date: xxx 2022

Christopher Hayward  
Chair, Policy and Resources Committee  
Date: xxx 2022

Appendix 1: [City of London Corporation Compliance with the CIPFA Finance Management Code](#)

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Appendix 2: Summary of Points Raised in Relation to the Draft Annual Governance Statement 2020/21, updated with the Action Taken for the Draft Annual Governance Statement 2021/22

Point Raised	Summary of Action Taken/Proposed for AGS 2020/20	Action taken for AGS 2021/22
How do we benchmark our governance arrangements/the quality of our AGS, what is our peer group?	Something to take on board for future years – a more visual presentation is required, using infographics and diagrams for example. The AGS is a requirement for the City Fund in relation to the local authority functions so the peer group will be local authorities. There is an argument that the AGS should cover all operations of the City Corporation as the separation between funds complicates this, although this was met with resistance from some key Officers. <b>No Action for 2020/21 AGS</b>	The draft AGS 2021/22 has been prepared with <a href="#">CIFPA's AGS evaluation criteria</a> in mind, and comparable local authorities Annual Governance Statements ( <a href="#">including Westminster City Council</a> ) have also been reviewed, as a part of considering its quality and presentation.
The AGS doesn't really say much about the actual governance arrangements and background information in relation to the City Corporation	This information is available via a hyperlink in the document at paragraph 3, but for future years, the AGS should aim to cover some of this in a diagram, without duplicating the information in the City Fund Accounts. <b>No Action for 2020/21 AGS</b>	Information on our governance arrangements has been added in diagram form and more hyperlinks have been added to signpost the more detailed information that is publicly available more clearly.
The AGS should reflect the role of the Committee monitoring and driving implementation of Internal Audit Recommendations	<b>Paragraph 26 updated accordingly</b>	
Conformance to Public Sector Internal Audit Standards – While "Generally Conforms" is noted as the terminology used in relation to compliance with the PSIAS, this isn't a particularly positive form of words and could be interpreted by the reader of the AGS as an indication that there are areas of non-conformance	<b>Paragraph 25 updated</b>	
In relation to the governance Review – there is a disproportionate level of detail in relation to the Police Authority vs the City Corporation, this may give the impression that the Corporation is moving slowly on this.	Paragraph 10 in the original version of the AGS contains more on the Lisvane review, this has been brought forward and now becomes paragraph 5, the former paragraph 5, (now 6) has been edited down, to maintain balance across activities. <b>Actioned</b>	
There should be more content on the wider sources of assurance, differentiating between audit and other sources of assurance	To be incorporated within the AGS for the following year. <b>No Action for 2020/21 AGS</b>	

**Appendix 2**

Point Raised	Summary of Action Taken/Proposed for AGS 2020/20	Action taken for AGS 2021/22
<p>Electoral Arrangements:</p> <ol style="list-style-type: none"> <li>1. Commentary required on the amended democratic mandate (Suspension of elections) when there was no legal obligation to do so</li> <li>2. Review of the Ward Lists not mentioned</li> </ol>	<p>Additional text added at paragraph 37. <b>Actioned</b></p>	
<p>Major Programmes governance/assurance – the Deep Dive review of Major Programmes risk referred to the governance structure, this forms part of the overall governance framework and so should be incorporated in the AGS</p>	<p>Paragraph 19 amended to incorporate the role of CBC and Major Programmes Assurance meetings. <b>Actioned.</b></p>	
<p>The AGS should reference the Risk Management Framework, which the Committee reviews and agrees annually</p>	<p>Paragraph 22 amended to incorporate this. <b>Actioned.</b></p>	
<p>Paragraphs in relation to the Role of Audit – add more information about the role of the Committee in relation to ensuring the timeliness of implementation of audit recommendations (some infographic or KPI would add value)</p>	<p>Additional commentary to be added to paragraph 24 in relation to follow-up on previously completed Audit reviews and recommendation implementation. <b>Actioned.</b></p> <p>A more visual presentation to be adopted for subsequent years, incorporating some format of KPI or performance metric.</p>	<p>A more visual document has been drafted, which includes the addition of Key Performance Indicators.</p>
<p>Performance Management – more information should be included on the work undertaken to embed performance management, and performance in previous years.</p>	<p>Additional content added at paragraph 14 plus two additional actions in the action plan. <b>Actioned</b></p>	
<p>There should be a more explicit link to the Corporate Plan, how well does the AGS sync up with that? There are opportunities to demonstrate continuous performance improvement and links to future strategy</p>	<p>To be considered for incorporation in subsequent years, a methodology will need to be determined for this – the Chief Strategy Officer supports this as a concept. <b>No action for 2020/21 AGS</b></p>	<p>A link to the Corporate Plan has been added, and a link to publicly available Corporate Performance Framework data will be added when this is available.</p>
<p>Financial Management – should this say something about the pension deficit? We have a good story to tell in relation to this, so could we reference this?</p>	<p>This is more relevant to the Financial Statements than the AGS, the notes to the accounts will incorporate this. <b>No action required</b></p>	

<b>Committee(s)</b>	<b>Dated:</b>
Audit and Risk Management Committee	12/07/2022
<b>Subject: Internal Audit Update</b>	<b>Public</b>
<b>Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?</b>	<b>N/A</b>
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>N</b>
<b>If so, how much?</b>	<b>N/A</b>
<b>What is the source of Funding?</b>	<b>N/A</b>
<b>Has this Funding Source been agreed with the Chamberlain’s Department?</b>	<b>N/A</b>
<b>Report of: Head of Internal Audit</b>	<b>For Information</b>
<b>Report author: Matt Lock</b>	

## Summary

This report provides an update on Internal Audit activity since the last update provided to the May meeting of this Committee. The report summarises work completed up to 30 June, which includes a combination of planned and unplanned work; 4 substantive Internal Audit reviews have been completed as well as 4 further items of work resulting in reports or Audit outcomes of a different format.

## Recommendation(s)

Members are asked to:

- Note the outcomes of completed Internal Audit work

## Main Report

### Background

1. This report provides an update on the work of Internal Audit since the May Committee, specifically, an overview of the outcomes from completed Internal Audit reviews.

### Work Completed Since the May Committee Update

2. Final Audit Reports have been issued in respect of 4 Audit Reviews since the last update to this Committee, Amber Assurance ratings were given in 3 instances, Green Assurance ratings in 1 instance. The overall outcomes from the recently completed Audit reviews are summarised in the following table:

Audit Assignment	Assurance Rating	Recommendations Made		
		Red	Amber	Green
City of London Police and Police Authority - Governance Arrangements	Green	0	6	1
City of London Police - Transform Programme "Golden Thread"	Amber	n/a		
Corporate Wide - Major Projects Governance Arrangements - Markets Consolidation	Amber	0	7	0
Guildhall School of Music and Drama - Data Quality - Finance	Amber	0	2	0

3. At this time, there are no specific issues to draw to the attention of the Committee from this completed work, with the findings and recommendations raised being generally well received by management, further assessment will be made at the point of conducting follow-up reviews and reported accordingly.
4. Members may note that the table shows no breakdown of recommendations in relation to the Audit review of the City of London Police – Transform Programme “Golden Thread”. While this review resulted in an Amber recommendation, the issues raised by Internal Audit correlated with those identified by the Force Senior Leadership Team, there are measures in progress to resolve these and so it felt inappropriate to raise them as recommendations. Nonetheless, it has been agreed with the Commissioner that we will undertake a follow-up review to verify the effectiveness of these actions in accordance with our standard practice and report back accordingly.
5. Four other substantive Audit assignments have been completed, each of which resulted in a non-standard form of Audit report:
  - **Aldgate School - Schools Financial Values Standard:** An annual review and sign-off that the School meets the standard. 2 Green priority recommendations were made, these do not require follow-up although will be considered as part of the assessment for following years.
  - **Department of Community and Children's Services - CIVICA System pre-Go Live Assessment:** Internal Audit were asked to evaluate the adoption of controls within the new Housing Management system prior to implementation. These related to control weaknesses identified within the former system with an action plan to resolve as part of the system replacement, the issues were found to be resolved.
  - **Barbican Centre - Ticketing - Re-issue, Re-sale and Refund:** A spot-check in relation to the refund, resale and reissue of tickets for events cancelled as a result of the COVID-19 Pandemic. The review was based on substantive testing of transactions and found no areas of concern.
  - **Teachers Pensions – Errors, Roles and Responsibilities:** Following the identification of a number of discrepancies in relation to teachers’ pension records, Internal Audit was asked to review the process to evaluate if there were any systematic issues contributing to these errors. The review found no significant internal control weaknesses, although did raise concerns as to how the City of London Corporation organises itself to support the administration of

teachers' pension benefits. A report was issued with recommended steps to improve the process. While not anticipated that this review will result in formal follow-up, this may be considered subject to the response from management; this requires collective, cross-departmental working, if a consensus cannot be reached on the solution, follow-up will be initiated.

### **Corporate & Strategic Implications**

6. The work of Internal Audit 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**

7. While Internal Audit work identifies areas for improvement within the systems and processes examined, the findings of Audit work have been well received by Management and appropriate actions have been identified to resolve the control weaknesses raised.
8. The profile of Audit work has changed, with an increased proportion of unplanned work in response to emerging risks and issues, enabled by the transition to a less rigid plan of work.

### **Matt Lock**

Head of Internal Audit, Chamberlain's Department

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T: 020 7332 1276

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<b>Committee(s):</b> Audit and Risk Management Committee	<b>Dated:</b> 12/07/2022
<b>Subject:</b> Risk Management Update	<b>Public</b>
<b>Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?</b>	<b>N/A</b>
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>N</b>
<b>If so, how much?</b>	<b>N/A</b>
<b>What is the source of Funding?</b>	<b>N/A</b>
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	<b>N/A</b>
<b>Report of:</b> Chief Strategy Officer	<b>For Information</b>
<b>Report author:</b> Tabitha Swann, Head of Corporate Strategy and Standards, Corporate Strategy and Performance Team	

## Summary

This provides the Committee with an update on the corporate and top red departmental risk registers since last reported to the Committee in May 2022. Further details can be found in the appendices listed at the end of this report.

## Recommendation

Members are asked to note:

- The report and the corporate and top red departmental risk registers, which now reflect the changes reported at the last Committee meeting - there have been no new additions/de-escalations to the corporate risk register since then.
- That further to discussion at the May Committee:
  - CR02 (Loss of Business Support to the City) and CR10 (Adverse Political Developments) have been reviewed by the Internal Audit Team and are included in Committee papers separately (*Corporate Risk – Deep Dive Review: CR02 Loss of Business Support for the City and CR10 Adverse Political Developments*).
  - CR17 (Safeguarding) has been updated.
  - CR35 (Unsustainable Medium-Term Finances) has been updated and was discussed at Finance Committee on 14 June.

## Main Report

### Background

1. The corporate and red departmental risks are reported to this Committee on a quarterly basis, enabling the Committee to exercise its role in the monitoring and oversight of risk management within the City of London Corporation (CoLC).

- The corporate and red departmental risk registers were reviewed by the Executive Leadership Board (ELB) on 15 June 2022 and the Chief Officer Risk Manager Group (CORMG) on 22 June 2022 as Senior Officers accountable for CoLC risk management actions, decisions and outcomes. ELB have delegated primary responsibility for the routine review of the corporate and departmental red risk registers to CORMG, although ELB will still receive regular risk register updates and any areas of concern and/or new risks will be flagged to them.

## Current Position

### All Risks

- Table 1 below shows the overall number and risk rating of all risks recorded on the Pentana Risk system as at the end of June 2022 compared with May 2022.

Risk rating (RAG)	June 2022	May 2022	Difference
Red	57	69	-12
Amber	259	246	+13
Green	139	141	-2
	455	456	-1

Table 1: June 2022 (28/06/22) Overall Risk Numbers by RAG Rating on Pentana

- Table 2 below shows the breakdown of red, amber and green risks by risk level as at the end of June 2022 compared with May 2022.

Risk rating	Red		Amber		Green	
	June 2022	May 2022	June 2022	May 2022	June 2022	May 2022
Risk level						
Corporate	2	1	11	13	0	0
Departmental	19	16	93	90	28	29
Service	35	51	155	143	110	111
Team	1	1		0		0
PPM		0		0	1	1
<b>Total</b>	<b>57</b>	<b>69</b>	<b>259</b>	<b>246</b>	<b>139</b>	<b>141</b>

Table 2:

June 2022 (28/06/22) Breakdown of RAG Risks by Risk Level

### Corporate Risks

- Although the Committee would usually receive a shorter report on corporate risks focussing on risks above appetite, the full corporate risk register has been included at Appendix 1 following the discussion of various corporate risks at the last Committee meeting. A summary report is provided at Table 3 below.
- There are currently 13 corporate risks included on the corporate risk register (2x Red and 13x Amber):

- a. Although the risk score has remained at 16, **CR36** has changed its scoring from 8x2 (impact extreme, likelihood unlikely) to 4x4 (impact major, likelihood major).
- b. All other risks have remained constant at previous scores and ratings.
- c. Work continues to define a new corporate risk on skills and capacity of our people (mentioned in the May risk management update). The new Chief People Officer is considering what needs to be included in this risk and the relevant mitigations/actions and it will go back to the CORMG in September for discussion and final agreement.

7. Table 3 below shows a summary of the current corporate risks as of June 2022, ordered by risk score.

Risk	Title	Risk Score	Current risk score icon	Trend Icon	Flight path (last 12 assessments)
CR36	Protective Security	16			
CR37 (formerly SUR SMT 004)	Maintenance and renewal of Physical Assets - Investment property and Corporate (operational) property (excl. housing assets)	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			
CR29	Information Management	12			
CR30	Climate Action	12			
CR33	Major Capital Schemes	12			
CR35	Unsustainable Medium-Term Finances	12			
CR09	Health Safety and Wellbeing Risk (Management System)	8			
CR17	Safeguarding	8			

Table 3: **June 2022** (28/06/22) List of Current Corporate Risks by Risk Score (trend against last report to Committee)

8. The RAG matrices below show the distribution of corporate risks as of June 2022 (Table 4) and May 2022 (Table 5).

	Minor	Serious	Major	Extreme
Likely			2	
Possible			9	
Unlikely			1	
Rare				1

Table 4: **June 2022** (28/06/22) Risk Heatmap

	Minor	Serious	Major	Extreme
Likely				
Possible			10	
Unlikely			2	1
Rare				1

Table 5: **May 2022** Risk Heatmap

## Red Departmental Risks

9. There are 19 departmental red risks (up from 16 in May 2022). A summary report of the current top departmental red risks is attached at Appendix 2.
10. The two highest rated departmental risks, with current risk scores of 24 (all other risks have a rating of 16) remain:
  - a. **ENV-CO TR001** (formerly CR20) Road Safety
  - b. **ENV-PHPP 001** (formerly MCP-PHPP 001) Brexit - Impact on Port Health and Animal Health
11. There have been the following additions to the red risk register:
  - a. **BBC Arts 027** Impact of Economic Factors on our Business Supply and Demand
  - b. **BBC Buildgs 018** Failure to Secure Sufficient Funds for Barbican Renewal
  - c. **SUR SMT 007** Energy Pricing
  - d. **SUR SMT 009** Recruitment and Retention of Property Professionals
12. As reported in the risk management update in May 2022, **SUR SMT 004** Maintenance and Renewal of Physical Assets has now been moved to the corporate risk register (CR37).

## Corporate & Strategic Implications

Strategic implications – Reporting in line with CoLC Corporate Risk Management Strategy.

Financial implications – None applicable

Resource implications – None applicable

Legal implications - None applicable

Risk implications – None applicable

Equalities implications – None applicable

Climate implications – None applicable

Security implications – None applicable

## **Conclusion**

13. This risk update and accompanying documents (see appendices) are aimed at providing assurance to the Audit and Risk Management Committee that risks within the City of London Corporation are being effectively handled.

## **Appendices**

- Appendix 1 – Corporate Risk Register excluding completed actions
- Appendix 2 – Red Departmental Risks Summary

## **Tabitha Swann**

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# Appendix 1: Corporate risks - detailed report EXCLUDING COMPLETED ACTIONS

Report Author: Tabitha Swann

Generated on: 01 July 2022



Rows are sorted by Risk Score

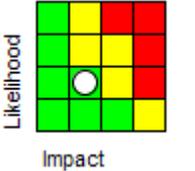
Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
P CR36 Protective Security 09/47	<p><b>Cause:</b> Lack of appropriate governance, inadequate security risk assessments, prioritisation, and mitigation plans. Inadequate, poorly maintained or time expired security infrastructure and policies; lack of security culture and protective security mitigation; poor training, inadequate vetting, insufficient staff.</p> <p><b>Event:</b> Security of an operational property and event space is breached, be that internal threat, protest and/or terrorist attack. Publicly accessible areas for which the Corporation are responsible for are subject to an undisrupted Terrorist attack.</p> <p><b>Effect:</b> Injury or potential loss of life caused by an undisrupted attack, unauthorised access to our estate by criminals/protestors/terrorists; disruption of business/ high profile events; reputational damage.</p>	<p>Likelihood</p> <p>Impact</p>	16	There has been a lot of work since 2017 attacks, to mitigate the threats to the Public and our Staff. CR24 focused on our buildings has been closed, due to the mitigations implemented. However, the threat from Terrorism has not gone, it remains a real and enduring threat with multi diverse attack methodologies and target focus. Protest and political unrest are on the increase. This goes wider than CoLC estate that CR24 covered, as seen in the 2017 attacks includes publicly accessible locations. The most recent attacks, including Liverpool November 2021, demonstrate that radicalisation has not stopped and there are persons still intent on carrying out such attacks with the intention to harm. Protests are becoming a regular threat to properties	<p>Likelihood</p> <p>Impact</p>		01-Jan-2024	

			<p>and events, such as climate protestors at November 2021 Lord Mayors Show and multiple protests seen across London. This risk is developed to maintain and monitor the holistic threats and risk, mitigation, and governance. 06/01/2022</p> <p>Work continues in all areas, all governance boards have reviewed terms of reference and membership with TOM changes. Meetings are scheduled for key CoLC staff with new COLP decision makers to ensure continuance of work in place since 2017.31/3/22</p> <p><b>14 Jun 2022</b></p>							
									Reduce	Constant

10-Jan-2022  
 Page 48  
 John Barradell

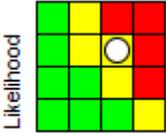
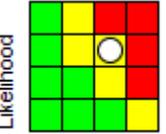
Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR36a	To ensure that there is effective governance across the CoLC with COLP and other partners	<p>Governance structures in place, led by Town Clerk Chief Executive, through Senior Security Board, terms of reference and strategy. With thematic security boards reporting into Senior Board: Protect Security Advisory Board, Protect Public Realm Board, Protect People Board Protect, Digital Security Board, Secure City Board.</p> <p>All governance boards in place, ToR reviewed and TOM changes captured.</p>	John Barradell	14-Jun-2022	01-Jan-2024
CR36b	Police Contest Board	COLP Police host a biweekly Contest Board, covering HM Government Protect, Prepare, Prevent and Purse agenda. COLC maintain resilience of SC vetted staff from SSB (RW) PSAB (SC) and PPRB (IH) ensure attendance at Contest Board, then cascade appropriately across CoLC.	Richard Woolford	14-Jun-2022	01-Jan-2024

		Introduction meeting in place for RW, SC, IH to meet with new Cmdr from COLP. Attendance and support to this board continues			
CR36c	Incident/Event/Protest Command	<p>Training and accreditation of staff to carry out command roles, at Strategic, Silver and Operational roles.</p> <p>Event Risk assessment covering High, Medium, Low risk events.</p> <p>All High-Risk events to be raised at SSB, confirmation of appropriate command team.</p> <p>Tabletop Exercises to be done prior to High-Risk events and in cycle with partners, with learning captured and audit trails maintained by Resilience team.</p> <p>This has included November 2021 Lord Mayors Show. Pre-Christmas all venues High Risk Table Tops exercises including direct action and terrorism.</p> <p>LMS 2021 debriefed with action plans being addressed with all partners.</p> <p>Ongoing planning for Platinum Jubilee, Operation London Bridge.</p> <p>XR protests in April 2022 will be lead by chief officer Gold, with learning from previous events with embedded partnership engagement with MPS and COLP, with all appropriate departments included.</p>	Richard Woolford	14-Jun-2022	01-Jan-2024
CR36d	Prevent	This multi-agency response led by DCCS in support of HM Government guidance. Ensuring safeguarding is at the heart of Prevent with our communities and families. This is ongoing lead by DCCS		14-Jun-2022	01-Jan-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	Current Risk score change indicator
<b>CR37 (formerly SUR SMT 004) Maintenance and renewal of Physical Assets- Investment property and Corporate (operational) property (excluding housing assets)</b> 29 Nov-2019 Paul Wilkinson 2023-05-05	<b>Cause:</b> Poor property condition combined with insufficient budget to maintain assets in line with commitments/expectations. <b>Event:</b> Misalignment between the relevant Asset Management Strategy, City's lease obligations to third parties in occupation and the available funds to reach / maintain this standard <b>Impact:</b> Built estate becomes not fit for purpose/ functions/occupancy. The City becomes in breach of legal repairing covenants. Cost of maintenance and utility costs increases, placing further pressure on City resources. In extreme circumstances there will be H&S implications, leading to potential enforcement action, legal action by tenants or asset failure in whole or part with detrimental effects leading to impact on occupiers		16	Decision made to update departmental risk to corporate risk at March and April CORMG and ELB. Audit and Risk Management Committee briefed on change at May meeting.  <b>06 Jun 2022</b>		4	31-Mar-2023	Constant
							Reduce	

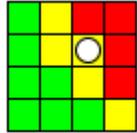
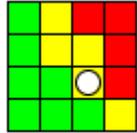
Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR37a	Cyclical Works Programme (CWP)	<p>The CWP bid for 22/23 is valued at £29.8m, and these works are essential to keep the operational properties in a good standard.</p> <p>This bid was subject to a bilateral meeting on 08/10 and following Member steer has subsequently been reduced to c.£11.1million. This funding was approved by RASC in January and progress will be reported through to OPPSC.</p> <p>Peter Collinson &amp; Peter Young will be meeting with Sonia Virdee (Chamberlain's) to discuss the interaction between the Medium-Term Financial Plan (MTFP) and the combination of backlog and deferred maintenance (July 2022). A new bid is being developed (23/24) and will likely be circa £30m, but will need to go through a similar prioritisation process.</p>	Peter Collinson	25-Apr-2022	31-Mar-2023
CR37b	Ring fenced properties and budgets ( CoLP estate, New Spitalfields, Billingsgate and the three private schools	CSD is communicating with ring fenced departments to identify appropriate building maintenance requirements and spend (forward maintenance). These department occupiers allocate their own funds for the maintenance of the built assets. Whilst the City Surveyor's	Peter Collinson; Peter	14-Apr-2022	31-Mar-2023

		<p>Department recommends work to be undertaken, it is the occupying department who holds the budget responsibility and thus decides with final control over maintenance activity. This element is being mitigated through the delivery of the recommendations arising from the recent Internal Audit.</p> <p>The master planning of certain sites (such as the Boys' School) helps add clarity around required spend.</p>	Young		
CR37c	Repairs and Maintenance Budget	<p>The local repairs and maintenance budget has come under significant pressure. The intelligent prioritising of works helps mitigate the impact of this issue. This reflects good practice and helps inform the CWP scoring matrix. The implementation of the new Computer Aided Facilities Management (CAFM) system Concerto increases the intelligence that can be drawn from our systems.</p>	Peter Collinson	14-Apr-2022	31-Mar-2023
CR37d	Revenue Programme (Investment Estate Only)	<p>The allocation of sufficient funds to maintain our investment portfolio to a high standard is required to maximise income generation and asset appreciation. Discussions are on-going with internal colleagues such that sufficient provision is made from the rent received.</p> <p>For the coming year 4.6% of projected rent has been allocated, broadly in line with the 5% industry 'rule of thumb'. One of the post-Covid trends is a 'flight to quality' from occupiers, making the condition of our assets critical to future income.</p>	Nicholas Gill	14-Apr-2022	31-Mar-2023
CR37f	Annual Major Capital Bids	<p>The City Surveyor's Department is progressing major capital projects, and these projects are all essential to keep the operational estate including the Guildhall in a good standard. Significant works have been identified from the recent Smithfield Market Condition Survey and if not funded present a live Health and Safety risk. Some departments submit their own bids based upon advice from the City Surveyor. If more H&amp;S works are required this limits the scope for further improvement projects.</p>	Peter Collinson; Nicholas Gill; Peter Young	14-Apr-2022	31-Mar-2023

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	Current Risk score change indicator
CR01 Resilience Risk  20-Mar-2015 John Barradell	<b>Cause</b> - Lack of appropriate planning, leadership and coordination <b>Event</b> - Emergency situation related to terrorism or other serious event/major incident is not managed effectively <b>Effect</b> - Major disruption to City business, failure to support the community, assist in business recovery. Reputational damage to the City as a place to do business.	 Likelihood	12	Clearview BC management tool continues to be implemented , new software package rollout to depts now expected September 2022  <b>14 Jun 2022</b>	 Likelihood	12	30-Sep-2022	Constant
							Accept	

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR01L	Assurance process with Cabinet Office College Provide refresher and initial training for Col staff, this training intended to increase knowledge to ensure BC plans are able to support the Col maintain its business during a major incident, provide an in depth independent oversight of the Col business impact analysis, identifying its most critical business areas	<p>The Clearview software Business Continuity product contract has now been signed 1/7/21 as a joint procurement with COLP/Clearview , the implementation of the system and integration of new elements and information into the Col IT system and education process is currently underway , full rollout across Col expected December 2021</p> <p>Implementation process continues with Clearview aiming to introduce key depts to the system April 2022 Implementation process continues due to new software package to be initiated , architecture documentation signed off by IS , rollout across depts now expected late June 2022 data element to be overseen by IMS team. This project is still in the implementation process mainly due to a changeover from Clearview to Castellán and we are looking now for soft rollout in September 2022 whilst implementation continues</p>	Gary Locker	14-Jun-2022	30-Sep-2022
CR01M	process, training, call out process to strengthen the City capability and resilience in responding to major incident and complying with the wider London boroughs standardisation programme	<p>Training for this session complete process and call out still to be finalised Continues</p> <p>Intranet note to staff to identify new potential LALO March 2022</p> <p>LALO were involved in a City based partnership exercise February 2020, Intranet note</p>	Gary Locker	14-Jun-2022	30-Sep-2022

		<p>seeking further staff support posted March 2022 to boost capabilities</p> <p>Pan London standards process currently held due to Covid 19 response , Lalo training will be key to capability going forward Feb 2021 LALO training is a rolling programme delivered by London Resilience Group , resilience team ensure capability and numbers of LALO are appropriate for Col response and engage LALO in local/pan London exercise where appropriate</p> <p>No further significant updates at this stage but to note as part of the Pan London Ex safer city , 9th November 2021 one Col Lalo was deployed as part of the ex as part of the deployment &amp; learning process around a collapsed building scenario and wider Col response to the exercise Pan London exercise dates 2022 to be captured to allow for LALO involvement</p>			
CR01N	to increase City capability and resilience in also supporting wider London boroughs during major incident response, Local Emergency Control Centres, Emergency centres as part of a wider humanitarian	Gold major incident awareness training day completed for new Col Chief Officers 21/10/21 module 1 included Media implications , Humanitarian aspects , Civil Contingencies Act & Command structure responsibilities . Module 2/3 to follow 2022 Legal Implications & Public Inquiries session New senior staff to be identified for further training and awareness	Gary Locker	14-Jun-2022	30-Sep-2022
CR01Q	Plan an annual calendar of IT DR tests, covering critical systems and services	<p>In line with the new approach outlined to Members, the Digital, Information and Technology team have moved away from large, high impact annual DR tests in favour of smaller, more frequent DR and resilience tests against certain realistic scenarios; testing 3-4 specific elements of the technology estate per year.</p> <p>Following the COL Internet failover test in October 2021 and the IMS-led Ransomware attack test in February 2022, the DITs team have produced a draft Rolling DR/Resilience test schedule for the next 12 months covering COL and COLP critical services.</p> <p>This plan is under review by the wider DITs team and their 3rd parties, prior to commencing the first test Q2 2022.</p>	Matt Gosden	27-Jun-2022	30-Sep-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	Current Risk score change indicator
<p><b>CR02 Loss of Business Support for the City</b></p>	<p><b>Cause:</b> 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.</p> <p><b>Risk Event:</b> The City Corporation’s actions to promote and support the competitiveness of the business City are not fully effective (post Covid).</p> <p><b>Effect:</b> The City loses its ability to attract and retain high value global business activity, both as a physical location and in mediating financial and trade flows; the City Corporation’s business remit is damaged, and its perceived relevance is diminished. Reputational damage to the City as a place to do business and to Corporation ability to govern effectively</p>	<p>Likelihood</p>  <p>Impact</p>	<p>12</p>	<p>The risk score remains the same at an amber 12 although this is kept under regular review.</p> <p>This risk score is driven by (a) the ongoing Ukraine-Russia conflict, and (b) the increasing rate of inflation which is 9.0% at May 2022. Bank of England (BoE) expect inflation to rise to around 11% this year, with a target of 2% in around two years – BoE statement, 17 June 2022.</p> <p>Our strategic response to the overall challenges to UK Financial and Professional Services (FPS) competitiveness are in the Corporation’s Competitiveness Strategy. We have around 50 projects across the business plan, with 6 KPIs that provide strong indications of UK FPS performance. We re-evaluate the plan in the light of new challenges, to ensure our projects are adapted to new challenges.</p> <p>In the case of Russia’s invasion of Ukraine, and increasing rate of inflation, two key areas that we have reinforced our efforts are:</p> <ul style="list-style-type: none"> <li>• The State of the City Report in conjunction with Treasury, laying out where the UK is,</li> <li>• Encourage the adoption of a competitiveness and growth secondary</li> </ul>	<p>Likelihood</p>  <p>Impact</p>	<p>8</p>	<p>30-Apr-2023</p>	<p></p>

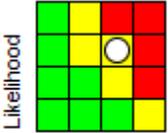
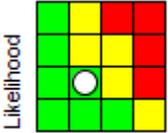
22-Sep-2014 Damian Nussbaum			<p>objective for the regulators. Other projects/initiatives that highlight our work are:</p> <ul style="list-style-type: none"> <li>• COP26</li> <li>• Global Investment Futures</li> <li>• Digital Sandbox.</li> </ul> <p>Work continues to implement the recommendations of the Recovery Taskforce, to create a competitive and attractive place for businesses and their employees.</p> <p><b>30 Jun 2022</b></p>			Reduce	Constant
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Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CB02H	Work on initiatives which ensure London is at the forefront of innovation in financial and professional services	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Promotion of UK FPS offer globally: Replacing Lord Mayor and CPR physical international visit programme with virtual visits to key markets including US &amp; 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..</li> <li>• 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 global financial centre when measured across 100+ metrics.</li> </ul>	Damian Nussbaum	14-Sep-2021	30-Apr-2023

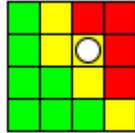
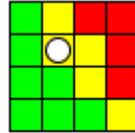
		<ul style="list-style-type: none"> <li>• Creation of Retention Campaign in September 21, which seeks to proactively obtain accurate insights from key inward investors to better understand medium term investment plans, opportunities and threats. Linked with key projects on Competitiveness, Benchmarking and Global Mobility</li> <li>• The Global City campaign showcases the UK’s competitiveness strengths in FPS around the world.</li> <li>• 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.</li> <li>• 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.</li> </ul>			
CR02I	Work with colleagues across the Corporation to implement the recommendations of the Covid 19 Recovery Taskforce Report, Square Mile: Future City	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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’:</li> <li>• Enable high potential businesses to start, adapt, and grow</li> </ul>	Damian Nussbaum	14-Sep-2021	30-Apr-2023

		<ul style="list-style-type: none"><li>• Open London's opportunities to everyone</li><li>• Curate thriving innovation ecosystems in strategic sectors</li><li>• Create and sustain a vibrant and engaging City offer</li><li>• Planning and enabling the future City</li><li>• World-class streets and public spaces</li></ul>			
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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	Current Risk score change indicator
<b>CR10 Adverse Political Developments</b>  22-Sep-2014 Paul Double	<p><b>Cause:</b> Policy issues that may compromise the City’s operation as an international financial marketplace to which the City Corporation’s functions are aligned; other financial and professional services issues that make the City Corporation vulnerable to political criticism; local government proposals that (either directly or indirectly) call into question the democratic legitimacy of the City of London Corporation; overarching political hostility.</p> <p><b>Event:</b> Changes in international relationships particularly those with the EU; reputational questions related to financial institutions; local government changes in London; low turnout for Common Council elections; increase in political hostility to the Corporation.</p> <p><b>Impact:</b> Damage to the City’s ability to put its case nationally and internationally and to the City’s standing as a dedicated international financial marketplace. Loss of investor confidence in, or attractiveness of, the Square Mile. 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 credibility for the City.</p>	 <p>Likelihood</p> <p>Impact</p>	<p>12</p>	<p>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> <p>The Russian invasion of Ukraine in February 2022 and the subsequent economic sanctions imposed on individuals and institutions associated with President Putin intensified focus on allegations of illicit finance in the financial services sector. Although the criticism is not as frequent as during the period immediately after the invasion, there is still a feeling “the City” (used as shorthand for the financial services sector) should be doing more to prevent illicit finance.</p> <p>The political environment remains unsettled, with two Government by-election losses, and considerable criticism of the proposed alteration of the terms of the Northern Ireland protocol. Neither of these developments impact directly on the current risk score.</p> <p>30 Jun 2022</p>	 <p>Likelihood</p> <p>Impact</p>	<p>4</p>	<p>30-Nov-2024</p>	
		<p>Reduce</p>	<p>Constant</p>					

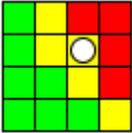
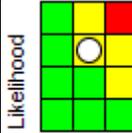
Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR10a	Monitoring of Government legislation and proposed regulatory changes.	<p>Constant attention is given to the form of legislation affecting the City Corporation and the broader City, and any remedial action pursued. Relevant 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 as required.</p> <p>A new session of Parliament began on 10 May 2022. Legislation already introduced includes the Levelling Up and Regeneration Bill, the Public Order Bill, the Schools Bill, the Bill of Rights and the Online Safety Bill. The Office is liaising with the relevant City Corporation departments on the impact of the legislation and evidence has already been submitted to the Parliamentary Committees examining online safety and levelling up. A Financial Services and Markets Bill is anticipated before the summer recess and the office expects to be active on that Bill, working closely with colleagues in Innovation and Growth.</p>	Paul Double	30-Jun-2022	30-Nov-2024
CR10b	Provision of information to Parliament, Government and the London Assembly on issues of importance to the City.	<p>Making known the broad range of work of the City Corporation among opinion formers, particularly in Parliament and central Government, is 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 a crucial sector of the economy, and for London (and the nation) across a wide spectrum of activity.</p> <p>The Office continues to provide updates to the relevant departments and Members following major political developments and set piece Parliamentary events, the most recent followed the Queen's Speech in May.</p> <p>Recent matters raised with Committees or in debates in Parliament include to role of financial services in the government's levelling up agenda, local air quality, sewage discharge into rivers, the work of the City Police in combatting fraud, the UK's representation in the EU, and the UK-India Free Trade Agreement.</p>	Paul Double	30-Jun-2022	30-Nov-2024
CR10c	Engagement with key opinion informers in Parliament and elsewhere. Programme of work to monitor and respond to issues affecting the reputation of the City Corporation.	<p>Liaison with the City's MP and other MPs, Peers and Select Committee of both Houses on matters of importance to the City. 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>The Office works closely with CPR's office over the CPR's parliamentary engagement programme, including providing content and briefing for bilateral meetings.</p> <p>The City's Parliamentary Terrace Reception took place on 15 June following a 2-year absence. It provided an opportunity for Members, Officers and representatives of City business to speak informally with Members of both Houses of Parliament on matters of interest. Over 140 guests attended, including a number of Ministers and members of the Opposition Front Bench. Follow up actions will be pursued in collaboration with the Corporate Affairs team and the</p>	Paul Double	30-Jun-2022	30-Nov-2024

		Office of the Policy Chairman.			
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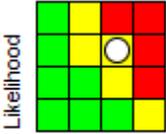
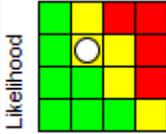
Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
<p>CR16  <b>Information Security</b>                      (formerly CHB IT 030)</p> <p>10-May-2019</p>	<p><b>Cause:</b> Breach of IT Systems resulting in unauthorised access to data by internal or external sources. Officer/ Member mishandling of information.</p> <p><b>Event:</b> The City Corporation does not adequately prepare, maintain robust (and where appropriate improve) effective IT security systems and procedures.</p> <p><b>Effect:</b> Failure of all or part of the IT Infrastructure, with associated business systems failures. Harm to individuals, a breach of legislation such as the Data Protection Act 2018. Incur a monetary penalty of up to €20M. Compliance enforcement action. Corruption of data. Reputational damage to Corporation as effective body.</p>	<p>Likelihood</p>  <p>Impact</p>	<p>12</p>	<p>E5 Licences are now implemented for email malware. Further security features are being implemented until June 2022.</p> <p>Security enhancements DITs have implemented include:</p> <p>Safelinks for Microsoft Defender – this scans links in incoming emails before the email reaches the recipient, dramatically reducing phishing email and preventing access to infected websites.</p> <p>Multifactor Authentication is now mandatory (by tech policy) for all users of technology services</p> <p>Guests (external attendees) can no longer automatically join a Teams meeting and must now wait in the virtual lobby before being admitted.</p> <p>DITs have commenced an overarching Security Review, with the aim of reviewing how technology security is managed across the organisation. This will include a RACI across internal and external stakeholders, a review of the processes and tools involved. Ultimately this will produce recommendations for improvements in security management.</p> <p>23 Jun 2022</p>	<p>Likelihood</p>  <p>Impact</p>	<p>6</p>	<p>31-Mar-2023</p> <p>Reduce</p>	<p></p> <p>Constant</p>

Emma Moore							
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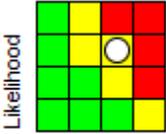
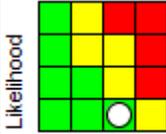
Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR16k	Final stages of completing information security projects which will mean that we can assure Members that the City of London Corporation has implemented all the national government recommended security practices and technology achieving a maturity level of 4.	The E5 licence-enabled improvements are on track to be completed by the end of June	Gary Brailsford-Hart	23-Jun-2022	30-Jun-2022
CR16n	Work on a simulated cyber attack is being planned with the IMS Team	A White Hat activity – this is where we employ an Ethical Hacker to try to gain access to COL systems using typical hacking tools and techniques.	Gary Brailsford-Hart	23-Jun-2022	31-Jul-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	Current Risk score change indicator
CR21 Air Quality  07-Oct-2015 Ruth Calderwood	<p><b>Cause:</b> 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.</p> <p><b>Event:</b> 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.</p> <p><b>Effect:</b> 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</p>	 Likelihood Impact	12	<p>The risk remains unchanged. Defra is consulting on a new target for PM2.5. Consultation comments have been submitted supporting the proposed target but moving the proposed compliance date from 2040 to 2030</p> <p><b>28 Jun 2022</b></p>	 Likelihood Impact	6	31-Dec-2024	Constant
							Reduce	

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR21 001h	Develop baseline model for compliance assessment and publish annual report of air quality data	The 2021 annual status report has been submitted to Defra and the GLA and will be presented to July PHES committee	Ruth Calderwood	28-Jun-2022	31-Dec-2025
CR21 001i	100% of vehicles owned or leased by the CoL are electric or hybrid by 2025	The City Corporation continues to add zero emission vehicles to its fleet with 5 hybrid and 17 pure electric vehicles. A database has been created of fleet carbon and air pollution (NOx and PM) emissions	Ruth Calderwood	03-May-2022	31-Dec-2025
CR21 001j	Develop and support an Emission Reduction Private Members Bill for London local authorities	Meetings continue with DEFRA to discuss options for new powers to deal with non-transport sources of air pollution. This includes direct one-to-one meetings and workshops and commenting on consultation documents. Meeting also held with UK100 to discuss their support.	Ruth Calderwood	03-May-2022	31-Dec-2022
CR211	Assess percentage compliance rate with NO2 target	An assessment is underway for the % of the area of the Square Mile that meets the annual average nitrogen dioxide target. Concentrations during 2021 were similar to 2020 so a similar result is anticipated	Ruth Calderwood	28-Jun-2022	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	Current Risk score change indicator
<b>CR29 Information Management</b>  08-Apr-2019 John Barradell  <b>Page 64</b>	<b>Cause:</b> Lack of officer commitment and investment of the right resources into organisational information management systems and culture. <b>Event:</b> The City Corporation's IM Strategy (2018-2023) is not fully and effectively implemented <b>Effect:</b> <ul style="list-style-type: none"> <li>• Not being able to use relevant information to draw insights and intelligence and support good decision-making</li> <li>• Vulnerability to personal data and other information rights breaches and non-compliance with possible ICO fines or other legal action</li> <li>• Waste of resources storing information beyond usefulness</li> </ul>	 Likelihood Impact	<b>12</b>	W Drive is now read only and the move to SharePoint completed.  New role created to lead on IM in the Digital, Information and Technology Team,  Chief Officers being provided with local SIRO training  <b>23 Jun 2022</b>	 Likelihood Impact	<b>6</b>	31-Dec-2022	  Constant
							Reduce	

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR29g	IM Audit Actions to be implemented	Several audit actions now need to be considered and planned for implementation. These are currently being worked through with Comptrollers.	Sam Collins	23-Jun-2022	31-Jul-2022
CR29h	W Drive moved to Sharepoint	W: Drive now frozen with a view to remove by the end of July	Sam Collins	23-Jun-2022	31-Jul-2022
CR29i	Local SIRO training for the Chief Officer Team	Training being delivered to Chief Officers, this was delayed due to availability and priorities of staff and trainers	Nick Senior	23-Jun-2022	31-Jul-2022
CR29j	IM Maturity Plan	More detailed mitigation actions for cultural, infrastructure and information tooling to be developed – this is resource is now in place, and work has begun on defining actions	Sean Green	23-Jun-2022	31-Oct-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	Current Risk score change indicator
<b>CR30 Climate Action</b>  Oct-2019 John Barradell	<p><b>Cause:</b> Insufficient resources and prioritisation allocated to Climate Action.</p> <p><b>Event:</b> The City Corporation fails to reduce and mitigate the impact and effect of climate change.</p> <p><b>PHASE 2: DELIVER AND REFINE ACTION PLAN –</b> To be addressed in completion of phase 1.</p> <p><b>Impact:</b> As the governing body of the Square Mile dedicated to the City, there are a range of potential impacts including:</p> <ul style="list-style-type: none"> <li>• failing to deliver on the net zero targets in our Climate Action Strategy</li> <li>• reducing our ability to effectively reduce carbon emissions in the next two carbon budget periods (2022 and 2027)</li> <li>• damaging the City's credibility in Green Finance and Insurance markets;</li> <li>• reducing our ability to champion sustainable growth globally and enhance the relevance and reputation of the Square Mile</li> <li>• failing to adequately invest in climate resilience measures leading to negative impacts on social, economic and environmental outcomes</li> <li>• failing to adequately invest in net zero initiatives leading to negative impact on our financial and property investments</li> </ul>	 <p>Likelihood</p> <p>Impact</p>	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  <b>14 Jun 2022</b>	 <p>Likelihood</p> <p>Impact</p>	4	31-Mar-2027	  Constant
							Reduce	

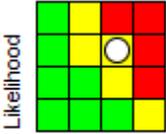
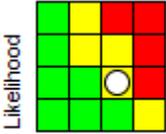
Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR30k	Ongoing political and international relationship management	Strategy picked up by media and helping promote reputation of City financial. Stakeholder engagement plan identifies opportunities for political and international engagement opportunities.	Damian Nussbaum	14-Jun-2022	31-Mar-2027
CR30l	Deliver programme of works across operational and	13 of the top 15 emitting buildings and 62 of 143 investment properties across our corporate	Paul	14-Jun-	31-Mar-

	investment portfolios	<p>and housing estates have been surveyed to inform the operational and capital interventions across our corporate buildings. The remainder will be completed by September 2022 to be drawn up into delivery plans for 22-23 and beyond.</p> <p>It will be essential to secure co-investment into our housing stock. A bid for £800k from the Social Housing Decarbonisation Fund (SHDF) at William Blake and Southwark Estates has been secured. This will provide new lighting, increased insulation, additional glazing and heating controls for 66 properties currently rated EPC D or below. Work is underway to apply for the second wave of SHDF funding.</p> <p>Decisions outstanding on planned stock changes such as disposal strategies and major projects such as the Guildhall Master Plan, Barbican Arts Centre and Markets Co-location continue to create uncertainty in the Corporate Properties Group workstream for CAS. As these buildings are amongst the highest emitters for the operational estate, understanding their future is essential in planning for, and delivery of, the 2027 CAS target.</p> <p>Construction price inflation, both in terms of availability and pricing of materials, and through the availability of labour, will impact the delivery programme. This may result in additional budget pressures. This is an industry-wide issue that the department is tracking closely.</p> <p>Recent unprecedented rises in energy prices and the cost of capital works presents a significant risk to CAS target delivery. CAS delivery is supported by the delivery of planned cyclical maintenance works and the capture of energy cost savings to fund further measures. Avoiding delays due to cost pressures will be necessary to avoid knock-on impacts to CAS targets. The mitigation in place includes introduction of behavioural management programme in buildings and the implementation and potential expansion of the Power Purchase Agreement (PPA)</p>	Wilkinson	2022	2027
CR30m	Monitor and drive performance against net zero and financial targets for financial investments and supply chain, continually refreshing learning	<p>Funded project plans with resources and capability requirements have been updated for FY22/23 and approved at May Policy and Resources Committee.</p> <p>Purchased Goods and Services actions for the coming year:</p> <p>* Implementation of the Carbon Net Zero Procurement Plan; FY 2022 – 2024</p>	Caroline Al-Beyerty	14-Jun-2022	31-Mar-2027

		<p>* Working with our supply chain to embed Climate Action KPIs into the supply chain through focus on the most impactful contracts.</p> <p>* Focusing on the most impactful contracts, migrate away from proxy values to track carbon performance more accurately.</p> <p>* Developing low carbon, green and circular criteria, and standards to help decouple carbon from spend.</p> <p>Additionally, all work undertaken is with the 55% reduction in supply chain emissions target, from the 2018 baseline, in mind.</p> <p>Financial Investment actions for the coming year:</p> <p>* Formulating and implementing plan to address financial physical and transition risks within the upcoming strategic asset allocation process.</p> <p>* Working with fund managers to ensure robust risk management on the portfolio and timely disclosures.</p> <p>* Annual reporting to external stakeholders via second TCFD Submission by November 2022 and PRI by March 2023.</p> <p>The report ‘Managing Climate Risk for our Financial Investments’ has been published in October 2021 aligning our financial investments with net zero emissions by 2040</p>			
CR30n	Monitor and drive performance against net zero and resilience targets, continually refreshing learning	<p>Cool Streets &amp; Greening Gateway 3-4 approved for nine Year 1 and six year 2 sites. Implementations complete for six year 1 sites. Evaluation underway using smart sensors. Cubic Mile project underway to map opportunities for climate resilience measures below ground.</p> <p>Phase 1 of pedestrian priority programme has been approved. Phase 2 still needs approval and</p>	Juliemma McLoughlin	14-Jun-2022	31-Mar-2027

		has political risk attached to it. If the programme of Pedestrian Priority restrictions and traffic reduction is not delivered this significantly undermines the ability to reach net zero.			
CR30o	Set out carbon removal action plan and mobilise	<p>Current risks are:</p> <p>*Challenge by tenant to termination of farming tenancy which would make one of the key project sites unavailable. To mitigate this, additional consultancy has been retained to support fair and efficient process to negotiations.</p> <p>*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</p> <p>*Possible issues with gaining access to additional land required for carbon sequestration target.</p> <p>*Underestimation of project costs and costed risks. This is mitigated through detailed quarterly budget reviews.</p> <p>The carbon sequestration study is now completed however additional clarification is required to explore further carbon removal opportunities including creating site plans for Phase 3, pursue of viable opportunities in the wood product markets and developing tender for project monitoring services.</p>	Juliemma McLoughlin	14-Jun-2022	31-Mar-2027
CR30p	Run overarching engagement programme with our stakeholders and partners (phase 3 of engagement plan) and quality assure engagement for projects	Dedicated stakeholder engagement lead built into PMO function. Stakeholder engagement plan approved at May Policy & Resources Committee. Detailed stakeholder engagement plan socialised with principal members and officers for approval	Damian Nussbaum	14-Jun-2022	31-Mar-2027
CR30q	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. A review of the findings from the initial Test of Relevance was conducted at half year and they remain the same. Impacts will be investigated and assessed on an ongoing basis in conjunction with the delivery of the CAS programme of work.	Andrew Carter	14-Jun-2022	31-Mar-2027
CR30r	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	In order to measure and report progress against our targets transparently, a Climate Action Dashboard is in the final stages of development and will be live internally later this quarter. The dashboard will allow tracking to take place across an initial 25 management KPIs as well as the main reporting KPI of our footprint as expressed in tonnes of CO <sub>2</sub> e (Carbon Dioxide	Damian Nussbaum	14-Jun-2022	31-Mar-2027

	<p>mechanisms in place for releasing staged financing. Set up regular tracking of impact of our actions on targets.</p>	<p>Equivalent). Our teams have identified and are evaluating an additional 25 management KPIs to augment this set to further improve ours and our stakeholder's ability to evaluate overall progress to CAS targets and commitments. From July 2022, it is intended that this dashboard will be used as the basis for progress reporting to Committees. The dashboard will be available publicly from September 2022. It is due for its public release alongside the annual report formally outlining CAS scope budgets, timescale, targets and commitments to stakeholders.</p> <p>To manage risk effectively in the programme, all projects have a risk log and the overall risks are reported at a programme level to Policy &amp; Resources Committee and via this CR30 corporate risk update.</p> <p>Project performances are monitored quarterly against their projected achievement trajectories. While some delay is inevitable in the inaugural year of a new programme, these movements are being closely monitored between Member and officer governance.</p>			
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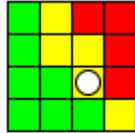
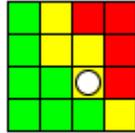
Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
<b>CR33 Major Capital Schemes</b>  14-Feb-2020 Genuine Whitehorse; Paul Wilkinson	<b>Risk owner</b> Town Clerk & City Surveyor <b>Cause:</b> 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). <b>Event:</b> there is insufficient technical and professional capability and resource to effectively deliver the schemes. <b>Effects:</b> <ul style="list-style-type: none"> <li>• Schemes not delivered on time</li> <li>• Inability of the organisation to move at the required pace</li> <li>• Potential for increased capital costs as a result of delayed decision making</li> <li>• Reputational impact on the Corporation vis a vis key stakeholder across London and UK Govt.</li> <li>• Potential revenue impact of delayed delivery to services affected (e.g. Markets, Museum of London Grant, City of London Police)</li> <li>• failure to deliver on corporate outcomes</li> </ul> <b>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.</b>	 Likelihood Impact	<b>12</b>	Shape of Chamberlain's ongoing support for Major Programmes has been confirmed as part of the TOM process for the Department. This includes strengthening overall financial support to all Major Programmes, alongside procurement of expertise / professional services to support the assurance and complexity of Major Projects. Target implementation by end of June 2022.  <b>13 Jun 2022</b>	 Likelihood Impact	<b>8</b>	31-Oct-2022	  Constant
							Reduce	

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date

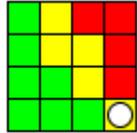
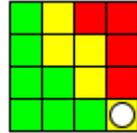
Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
<b>CR35</b> <b>Unsustainable</b> <b>Medium Term</b> <b>Finances</b>  19-Jun-2020 Caroline Al-Beyerty	<p><b>Causes:</b> High inflation –Office for Budget Responsibility forecasting peak in Autumn 2022            Contraction in key income streams and increase in bad debts following post pandemic change in working practices            Police Transform programme fails to realise the budget mitigations anticipated within the MTFP            Anticipated decline in public sector funding (local government and Police), increasing demands (revenue and capital) and an ambitious programme of major project delivery threaten our ability to continue to deliver a vibrant and thriving Square Mile</p> <p><b>Event:</b> Inability to contain financial pressures within year (2022/23) and compensatory savings and/or income generation to meet the Corporation’s forecast medium term financial deficit will not be realised.</p> <p><b>Effects:</b> Additional savings over and above those identified through the Fundamental Review to meet this challenge are required, 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.            Stakeholders experiencing reduced services and service closures.</p>		12	<p>Retail Price Index rose by 9% and Consumer Price Index rose by 7% in 12 months to March 2022. OBR are forecasting further increases, peaking in Autumn 2022, which will create pressures on service/departmental 2022/23 budgets and on the Housing Revenue Account.</p> <p>Pinch points are currently being identified by finance business partners. Mitigations currently include inflation contingencies and tight financial disciplines. Further mitigations to be discussed at Resource Allocation Sub Away Day in June.</p> <p>Income from investment property and from business rates holding up well. Reserves are not being utilised.</p> <p>The risk score is being maintained at amber 12, although the trajectory of risk is increasing. No trigger points reached.</p> <p>Possible further mitigations: Review major commitments, including options for re-profiling cyclical works programme.</p> <p><b>31 May 2022</b></p>		8	31-Mar-2023	
		Accept			Constant			

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR 35d	<p>Inability of some ratepayers to pay rates due to change in working patterns post pandemic, especially retail, hospitality and leisure sectors. A reduction in demand for office space in the square mile, leading to lower occupation and business rate income. Triggers</p> <ul style="list-style-type: none"> <li>• Change to business rate reset (further deferral will result in a positive impact).</li> <li>• Shift from commercial to residential.</li> <li>• Reduction in Rateable Value (the risk is minimal).</li> <li>• Changes to methodology in business rate calculations.</li> </ul>	<ul style="list-style-type: none"> <li>• Monthly monitoring in place. The 2021/22 collection rate figure is 95.29%, which is 0.97% up on last year and only 2.07% down on 2019/20 (97.36%).</li> <li>• The COVID Additional Restriction Relief scheme (CARF) will provide approximately £64m relief to business rate bills.</li> <li>• Collection fund deficit to be factored into the MTFP.</li> <li>• There has been an increase in the amount of empty property resulting in more relief being claimed.</li> <li>• Business Rate appeals linked to COVID have been ruled out due to Govt legislation, but we are seeing an increase in appeals on other grounds.</li> <li>• Impacts will continue to be monitored.</li> </ul>	Phil Black	20-Jun-2022	31-Mar-2023
CR 35i	<p>Impact on the HRA</p> <ul style="list-style-type: none"> <li>• Rising inflationary pressures in construction costs outstripping rental increases</li> <li>• Delays in residential units coming on stream delaying income</li> <li>• Increasing bad debt / long term reduction in commercial rent</li> <li>• Expenditure risks around recovery of leaseholder contributions Great Arthur house cladding case</li> </ul> <p>Inability to fund future major works programme.</p>	<p>There is small upside in the MTFP:</p> <ul style="list-style-type: none"> <li>• Prudent assumptions have been used in forecasting when income from new residential units will come on stream.</li> <li>• Additional sources of capital funding including climate actions funding for major works and 106 housing for new build</li> <li>• Need to monitor identified expenditure risks around recovery of leaseholder contributions</li> <li>• Current works programme prioritised and fully funded as at December 2021. Future works programme following new Asset condition survey will need to be incorporated towards end of the 5-year planning period.</li> <li>• Housing 30 year Business Plan to be updated by the department by September 2022 alongside a review of existing risks'. Interim report will go to Housing Sub Committee in May 2022.</li> </ul>	Mark Jarvis; Paul Murtagh	20-Jun-2022	31-Mar-2023
CR 35j	<p>Impact of inflation</p> <ul style="list-style-type: none"> <li>• Rising inflationary pressures on energy costs</li> <li>• Rising inflationary pressures on construction and labour costs</li> </ul>	<p>The MTFP approved on 10th March 2022 included the following mitigations:</p> <ul style="list-style-type: none"> <li>• Inflation contingency held: 3% 22/23 and 1% 23/24 (23/24 includes 2% inflation increase within departments);</li> <li>• CF - £3m contingency ringfenced for construction inflation under Major Projects reserve.</li> <li>• CC - £1m contingency ringfenced for construction inflation under capital programme.</li> </ul> <p>Initial exercise to capture key pressure points across CF and CC carried out by Finance Leadership Group and monitoring arrangements being put in place through finance business</p>	Sonia Virdee	20-Jun-2022	31-Mar-2023

		partners, in liaison with departmental management teams.  Mitigations to be discussed at Resource Allocation Sub Committee Away Day, including top up of contingencies from 2021/22 underspends.			
CR35e	A reduction in key income streams and increase in bad Debt  <i>Triggers: Increase in loss of property investment portfolio income over £5m p.a.</i>	This is being monitored monthly, with action being taken to reduce spend where possible.  Budget forecast for 22/23 includes reduced income, with recovery profiled across the medium term. In addition, Chief Officers continue to work with tenants on a payment plan to mitigate potential issues. The moratorium against legal action for recovery has now lifted.  Sums to mitigate risk are being held in Reserves - £30m in City Fund.	Sonia Virdee	20-Jun-2022	31-Mar-2023
CR35k	The effect of the war in Ukraine on finances and sanctions carried out.	Department of Community & Children's Services are monitoring the likely demands on services caused by the situation in Ukraine. The experience with Afghan refugees was that the related costs were fully funded by central government grants, although this will not necessarily be the position with the Ukraine.	Sonia Virdee	31-May-2022	31-Mar-2023
CR35l	Achievement of current Savings Programme – includes flight path savings (Fundamental Review) and securing permanent year on year savings (12%).	Biggest risk relates to Police - £13m p.a. cumulative sustainable savings included in MTFP. To date much has been met with one-off savings.  To monitor and manage residual risks to the Police MTFP post-BRP increase (including increased inflation, mitigation delivery risks and new areas of pressure or grant reduction).	Alistair Cook; Sonia Virdee	31-May-2022	31-Mar-2023

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	Current Risk score change indicator
<b>CR09 Health Safety and Wellbeing Risk (Management System)</b>  22-Sep-2014 Emma Moore	<b>Cause:</b> Lack of management grip/attention to effective health and safety in the workplace, management and staff competency, poor supervision and guidance, and ineffective controls and monitoring / feedback systems. <b>Event:</b> 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. <b>Effect:</b> Fatality or life-threatening illness / disease compromising the safety and wellbeing of service users, public or the workforce, potential enforcement action/financial penalties to City Corporation. Adverse effect on the delivery of the Corporate Plan: Especially Outcomes 1 & 2		8	<ul style="list-style-type: none"> <li>Report on “Revitalizing the corporate HSW Committee” tabled at HSW Committee 05 November.</li> <li>The Corporate Lone Working / Preventing Violence Policy (HSP 4) has been separated into 2 H&amp;S Policies. Drafts tabled at Nov HSW Committee and subsequently being reviewed to address actions arising from HR audit of the Barbican Centre to reflect an employee focused style. Expected to go to Establishment Committee in Q3.</li> <li>HSE inquiry into February tree fall fatality at Highgate Woods has been concluded and there will be no formal investigation. The Coroner’s inquest was held in May and delivered a narrative verdict.</li> <li>Recruitment for the new role, Head of Health &amp; Safety reporting into COO has been completed and Joanne Carrington is due to start in June</li> <li>Recruitment for the new role, Health &amp; Safety Manager Environment Department has been completed and Murdo MacMillan started in June</li> </ul>		8	31-Jul-2022	
		Impact			Impact			

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR09L	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 until 2022  Looking at options to be possible pilot of British Safety Council Wellbeing Audit	Emma Moore	14-Jun-2022	30-Jun-2022
CR09Q	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	Ongoing review at each HSW committee – to be reviewed again by September 2022	Emma Moore	14-Jun-2022	30-Sep-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	Current Risk score change indicator
<b>CR17 Safeguarding</b>	<p><b>Cause:</b> Not providing appropriate training to staff or members; not providing effective leadership, management or supervision; poor case management, information sharing or actions.</p> <p><b>Event:</b> Failure to deliver actions under the City of London's Corporate Safeguarding Policy. All staff (and in particular social workers &amp; teachers) not taking appropriate action in relation to safeguarding issues.</p> <p><b>Effect:</b> Physical or mental harm suffered by a child or vulnerable adult, damage to the City of London's reputation, possible legal action, investigation by CQC and or Ofsted. (Risk description revised June 2019)</p>	 <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 and fully embedded. Moving forward this group will meet twice a year.</p> <p>The TOM Proposals for Children and Adult Social Care have now been approved and recruitment implementation of the TOM proposals has now started and subject to HR processes.</p> <p>Recruitment into all posts for Children Social Care has been completed and new social workers started in April 2022. Interviews for final Principal Social Worker post in Adult Social Care were completed by the end of May 2022.</p> <p>Temporary pressures such as the impact of the Afghan Support programme to provide children with early help has been recruited to, this is being funded by central Government.</p> <p>The Safeguarding risk will be presented to the Community and Children's Services Committee Safeguarding Sub-committee at future meetings to provide an additional level of scrutiny of this risk, the associated rating and actions to mitigate &amp; control the risk.</p>	 <p>Likelihood</p> <p>Impact</p>	<p>8</p>		

22-Sep-2014 Andrew Carter			22 Jun 2022			Accept	Constant
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Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR17ab	New staff are being recruited into roles as a result of the implementation of role changes relating to TOM. Staff will have to complete the Online training module, Safeguarding and Young People. Options for delivering training related to Safeguarding of Adults and Vulnerable People are being investigated.	Monitoring will be put in place to ensure that new Community and Children's Services staff have completed the online safeguarding training. Options for delivering training related to Safeguarding of Adults and Vulnerable People are being investigated.	Paul Murtagh; Chris Pelham	28-Jun-2022	30-Dec-2022
CR17ac	The City and Hackney Safeguarding Adults Board (CHSAB) and the City and Hackney Safeguarding Children's Partnership) CHSCP oversee Children and vulnerable adults safeguarding in the City of London and Hackney and monitor compliance with statutory guidance. A programme of training is also delivered to social workers and other stakeholders such as health and City of London Police staff.	The CHSAB and CHSCP oversee vulnerable adults and childrens safeguarding in the City of London and Hackney and monitor compliance with statutory guidance. A programme of training is also delivered to social workers and other stakeholders such as health and City of London Police staff.	Chris Pelham	22-Jun-2022	31-Mar-2023
CR17ad	CR17 risk will be reported to the Community and Children's Services Committee Safeguarding sub.	Reports on the Safeguarding risk will be presented to future Safeguarding sub-committee meeting to provide additional scrutiny of the risk, the associated rating and the actions identified to mitigate and control the risk.	Chris Pelham	22-Jun-2022	31-Mar-2023
CR17X	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.	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.  The first Safeguarding Champions meeting took place in December. There was good engagement from range of Departments. The group will meet bi- annually going forward. The safeguarding champion's role is to ensure that any new guidance regarding safeguarding is shared with their department.	Andrew Carter	22-Jun-2022	30-Dec-2022
CR17y	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.	The TOM Proposals for Children and Adult Social Care are going through consultation and seek to provide capacity to meet additional demands. on target. Recruitment into all posts for Children's Social Care has been completed and new Social Workers started in April 2022. Interviews for final principal Social Worker post in Adult Social Care to be completed by the end of May 2022.	Chris Pelham	22-Jun-2022	29-Jul-2022

		Temporary pressures such as the impact of the Afghan Support Programme or a return to working restrictions due to the Covid-19 pandemic will be addressed as required. Additional Children's Early Help support was temporarily recruited to. This was required to address increase in demand from Afghan families in hotels - this is being funded by central government.			
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## Appendix 2: Top red risks only - short summary by department

Report Type: Risks Report

Report Author: Tabitha Swann

Generated on: 28 June 2022



Rows are sorted by Risk Score

### Department Description Barbican Centre

Department Description: Barbican Centre 4

Code	Title	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 023	Failure to Manage EDI Correctly	4	4	16		10 Jun 2022	2	4	8		31-Jul-2022	Reduce	
BBC Arts 027	Impact of Economic Factors on Our Business (Supply and Demand)	4	4	16		23 Jun 2022	2	4	8		30-Apr-2023	Avoid	
BBC Buildgs 018	Failure to Secure Sufficient Funds for Barbican Renewal	4	4	16		13 Jun 2022	4	2	8		31-Mar-2025		
BBC H&S 002	Failure to deal with Emergency /Major Incident or Risk of Terrorism	8	2	16		15 Jun 2022	8	1	8		31-Mar-2023	Reduce	

## Department Description City of London School

Department Description: City of London School 1

Code	Title	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
CLS-OPS-002	Cyber security	8	2	16		26 May 2022	8	1	8		31-Aug-2022	Reduce	

## Department Description City of London Schools for Girls

Department Description: City of London Schools for Girls 3

Code	Title	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	Inadequate finances or financial plans (SA5-Operations)	4	4	16		01 Jun 2022	4	2	8		31-Aug-2022	Reduce	
CLSG-03	Failure to recruit and retain high quality teaching and support staff (SA4-People)	4	4	16		01 Jun 2022	2	2	4		31-Dec-2021	Reduce	
CLSG-04	Failure of child protection procedures (SA3-Pastoral)	8	2	16		01 Jun 2022	4	2	8		31-Dec-2022	Reduce	

## Department Description City Surveyor's

Department Description: City Surveyor's 6

Code	Title	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	8	2	16		10 May 2022	8	2	16		31-Mar-2023	Accept	
SUR CB 006	City Bridges: – Wanton Damage / Terrorism	4	4	16		10 May 2022	2	3	6		31-Mar-2023	Reduce	
SUR CB 007	City Bridges: – Tunnelling for the Thames Tideway Tunnel	4	4	16		10 May 2022	4	4	16		31-Mar-2023	Accept	
SUR SMT 005	Construction Price Inflation	4	4	16		21 Jun 2022	2	3	6		31-Mar-2023	Reduce	
SUR SMT 007	Energy Pricing	4	4	16		24 Jun 2022	1	3	3		31-Mar-2023	Reduce	
SUR SMT 009	Recruitment and retention of property professionals	4	4	16		21 Jun 2022	2	2	4			Reduce	

## Department Description Environment

Department Description: Environment 3

Code	Title	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
ENV-CO-TR 001 (Formerly CR20)	Road Safety	8	3	24		09 May 2022	8	2	16		31-Mar-2027	Reduce	

Code	Title	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
ENV-PHPP 001	Brexit – Impact on Port Health and Animal Health	8	3	24		03 May 2022	2	3	6		31-Dec-2023	Reduce	
ENV-CO-GC 002	Road traffic collision caused by City of London staff or contractor who is unfit to drive while on City business	8	2	16		05 May 2022	8	1	8		31-Dec-2022	Reduce	

## Department Description Guildhall School of Music and Drama

Department Description: Guildhall School of Music and Drama 2

Code	Title	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
GSMD SUS 001	Inability to Invest in Infrastructure and teaching spaces	4	4	16		17 Jun 2022	2	3	6		31-Mar-2023	Reduce	
GSMD SUS 002	Inability to deliver a balanced and sustainable model over the School's Business Cycle	4	4	16		17 Jun 2022	2	2	4		31-Mar-2023	Reduce	

<b>Committee(s)</b>	<b>Dated:</b>
Audit and Risk Management Committee	12/07/2022
<b>Subject: Corporate Risk – Deep Dive Review: CR02 Loss of Business Support for the City and CR10 Adverse Political Developments</b>	<b>Public</b>
<b>Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?</b>	<b>N/A</b>
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>N</b>
<b>If so, how much?</b>	<b>N/A</b>
<b>What is the source of Funding?</b>	<b>N/A</b>
<b>Has this Funding Source been agreed with the Chamberlain’s Department?</b>	<b>N/A</b>
<b>Report of: Head of Internal Audit</b>	<b>For Discussion</b>
<b>Report author: Matt Lock</b>	

## Summary

Internal Audit has undertaken deep dive reviews in relation to CR02 Loss of Business Support for the City and CR10 Adverse Political Developments. The objective of the deep dive review is to review the effectiveness of the arrangements in place for the systematic management of Corporate Risk.

In both cases the deep dives had similar findings:

- Risk register updates had not been completed as frequently as is required in practice for Corporate Risks.
- Mitigating actions are described at a broad level and do not contain sufficient detail in relation to the specific activity to manage risk.
- Discussion with responsible officers identified significant activity beyond that described on the risk register, providing assurance as to the adequacy of arrangements in place.

The responsible officers engaged fully with this process, resulting in a transparent and full exchange of information, the findings of the deep dive reviews have been shared and updates made to the risk register accordingly. Amended practice will support the continued improvement to the management of CR02 and CR10.

## Recommendation(s)

Members are asked to note the report.

## Main Report

### Background

1. As previously discussed at this Committee, Officers have reviewed the arrangements for facilitating Committee deep-dive reviews of the City of London Corporation's Corporate Risks. The objective of this exercise was to streamline the process, improving efficiency and effectiveness.
2. This is now an Internal Audit led process, with deep dive reports prepared independently of, but in consultation with, the relevant Senior Responsible Officer. The reports are informed by in depth review of the arrangements in place for managing risk, incorporating a quantitative assessment of the systematic application of the Corporate Risk Management Framework and a qualitative assessment as to the overall quality and completeness of the information provided in the risk register and, where possible, an objective review of the effectiveness of mitigating actions.

### Current Position

3. This is the first deep dive report within the new process and takes the following format:
  - i. Review of Risk Register Maintenance
  - ii. Review of Completed Mitigating Actions
  - iii. Review of Proposed Mitigating Actions
  - iv. Review of Monitoring Arrangements
  - v. General Observations and Overall Commentary
4. This report is focussed on the following Corporate Risks, both of which were raised as priorities by this Committee at its last meeting:
  - CR02 Loss of Business Support for the City
  - CR10 Adverse Political Developments

The latest Risk Register extracts are shown as Appendix 1 and 2 respectively.

### CR02 Loss of Business Support for the City

Area of Testing	Audit Findings
Risk Register Maintenance	<ul style="list-style-type: none"><li>▪ While the majority of key information fields are populated and updated when review takes place, target dates for completion of mitigating actions are the same as the date for achieving the Target Risk Score.</li><li>▪ The risk register is updated at least quarterly, driven by requirements for reporting to Audit and Risk Management Committee.</li><li>▪ This frequency does not meet the requirement for the Senior Leadership review via Chief Officers Risk Management Group (CORMG), which requires monthly review. CORMG may, however, determine that the current practice is sufficient.</li></ul>

Completed Mitigating Actions	<ul style="list-style-type: none"> <li>▪ The actions captured on the risk register provide a broad summary of some of the work of Innovation and Growth in relation to this risk which are ongoing in nature rather than a schedule of specific, measurable and time-bound activity.</li> <li>▪ The stated actions are not amended over time.</li> </ul>
Proposed Mitigating Actions	<ul style="list-style-type: none"> <li>▪ As referred to above, the recorded actions relate to ongoing activity rather than specific tasks.</li> <li>▪ Updates to the Risk Register would be more informative if they referred in more specific detail to the threats and vulnerabilities of the moment and the activity to mitigate these.</li> <li>▪ Because of the on-going nature of the mitigating actions it is not possible to verify the extent to which these are effective and without more specific detail and timescales, it is not possible to comment on the timeliness of mitigating actions.</li> </ul> <p>The mitigating actions are noted as reducing the likelihood of the risk and having no effect on the impact, this was questioned at the May meeting of this Committee. The mitigating actions are designed to manage the likelihood that events outside the control of the City Corporation will adversely affect the competitiveness of the City rather than mitigating the occurrence of such events. Nonetheless, from discussion with I&amp;G colleagues it is anticipated that some of the planned work of the department will serve to reduce impact should the risk be realised. This will be explored as part of the on-going review of the risk by the I&amp;G Senior Leadership Team.</p>
Monitoring Arrangements	<p>In the absence of specific detail on the risk register, it is not possible (via the risk management process) to demonstrate a systematic approach to managing the risk. This risk is, however, aligned to the core function of Innovation and Growth, the work of the Policy Chair and the Lord Mayor. The risk register can only provide a brief overview of this work, but it must contain sufficient detail to facilitate the effective collective oversight of Senior Leadership.</p>
General Observations and Overall Commentary	<p>This risk relates to the on-going work of Innovation and Growth. The administration of the risk within the risk management system does not reflect the level of detail and extent of activities in relation to this risk. The systematic approach of the Corporate Risk Management framework is not being fully deployed in managing this risk or in reporting the extent to which the risk is being managed.</p> <p>For the risk register to be a useful assurance tool, a more proactive approach is required for review and maintenance, some greater degree of detail is required to provide the user of the risk register with greater assurance that the risk is being managed well.</p>

	<p>Until discussed as part of this deep dive review, the monitoring arrangements in place were insufficient for this as a Corporate Risk, the key driver for the review and maintenance of a Corporate Risk must be based upon activity and threat assessment rather than for the purpose of the Committee update. Innovation and Growth colleagues have taken on board the feedback provided by Internal Audit.</p>
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### CR10 Adverse Political Developments

Area of Testing	Audit Findings
Risk Register Maintenance	<ul style="list-style-type: none"> <li>▪ All key information fields are populated and updated accordingly when review takes place.</li> <li>▪ The risk register is updated at least quarterly, driven by requirements for reporting to Audit and Risk Management Committee.</li> <li>▪ In practice, updates have been made more frequently (once a month for 3 out of the past 5 months), reflecting changes to the risk.</li> <li>▪ This frequency does not meet the requirement for the Senior Leadership review via Chief Officers Risk Management Group (CORMG), which requires monthly review. CORMG may determine that the current practice is sufficient.</li> <li>▪ The risk describes an overarching vulnerability that will be ever present, while an accurate description of the potential threat, it does not describe or detail the specific threats at play or what action is being taken to mitigate these.</li> </ul>
Completed Mitigating Actions	<ul style="list-style-type: none"> <li>▪ The actions captured on the risk register provide a broad summary of the work of the Remembrancer in relation to this risk which are ongoing in nature rather than a schedule of specific, measurable and time-bound activity.</li> <li>▪ From discussion with Officers and examination of extensive evidence, it was possible to verify that there is a more detailed programme of activity and that this includes horizon scanning for emerging threats and issues. It was possible to link this activity back to the actions recorded on the risk register.</li> </ul>
Proposed Mitigating Actions	<ul style="list-style-type: none"> <li>▪ As referred to above, while target dates are noted, the recorded actions relate to ongoing activity rather than specific tasks.</li> <li>▪ Updates to the Risk Register would be more informative if they referred in more specific detail to the threats and vulnerabilities of the moment and the activity to mitigate these.</li> <li>▪ Because of the on-going nature of the mitigating actions it is not possible to verify the extent to which these are on track.</li> </ul>

	<ul style="list-style-type: none"> <li>▪ The risk has an overall target score of (green) 4, coming down from (amber) 12, the point of assessment being 30/11/2024, the date of the next planned General Election. Internal Audit has challenged whether this target risk score could actually be achieved given the ever-present nature of the risk and that a General Election in itself would create political instability – at this point, it may reasonably be expected that the risk would actually increase.</li> <li>▪ It should be noted that there is a planned methodology in place for assessing the impact of a General Election, Internal Audit considered this appropriate.</li> </ul>
Monitoring Arrangements	Subject to the points raised in relation to the detail recorded on the risk register, monitoring arrangements within the Remembrancers department in relation to the actual risk environment are robust.
General Observations and Overall Commentary	<p>This risk is kept under continuous review within the Remembrancers department, it relates to the core and ongoing activity of the department. The administration of the risk within the risk management system does not reflect the level of detail and extent to which this risk is actively managed. The systematic approach of the Corporate Risk Management framework is not being fully deployed in managing this risk or in reporting the extent to which the risk is being managed.</p> <p>Further discussion is required at CORMG to evaluate the extent to which the level of detail maintained is sufficient, together with the basis for updating by exception. For the risk register to be a useful assurance tool, a more proactive approach is required for review and maintenance.</p> <p>The sensitivities around this risk are understood and Internal Audit is not advocating full disclosure of mitigation strategies, it is possible, nonetheless to include some greater degree of detail that would provide the user of the risk register with greater assurance that the risk is being managed well.</p> <p>CORMG will also need to consider the extent to which this risk should incorporate the work of the Corporate Communications Team, which, although not currently represented within this risk, does form part of the overall mitigation of adverse political developments.</p>

### Corporate & Strategic Implications

5. Corporate Risks are those that threaten the City of London Corporation's ability to achieve its strategic objectives and top priorities. The Risk Management process is designed to identify and manage risk to the organisation and incorporates various

assurance mechanisms, this deep dive process is one source of assurance, examining the extent to which Corporate Risks are being managed within the Corporate Risk Management framework.

## **Conclusion**

6. In the case of both CR02 and CR10, the deep dive review process has identified scope for more effective demonstration that these risks are being managed well and in accordance with the Corporate Risk Management framework. The risk register was found to contain insufficient detail in relation to the specific activities of the responsible departments to be able to evaluate the effectiveness of mitigating strategies. Colleagues have noted the findings of the deep dive reviews and have agreed to take on board the feedback provided, the appendices to this report reflect updates made following the deep dive reviews.

## **Appendices**

- **Appendix 1:** Risk Register Extract - CR02 Loss of Business Support for the City
- **Appendix 2:** Risk Register Extract - CR10 Adverse Political Developments

## **Matt Lock**

Head of Internal Audit, Chamberlain's Department

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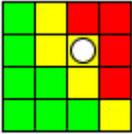
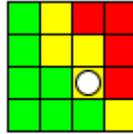
T: 020 7332 1276

# Appendix 1: Corporate Risk Report Extract (excluding completed actions)

## CR02 Loss of Business Support for the City

Generated on: 01 July 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	Current Risk score change indicator
CR02 Loss of Business Support for the City	<p><b>Cause:</b> 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.</p> <p><b>Risk Event:</b> The City Corporation’s actions to promote and support the competitiveness of the business City are not fully effective (post Covid).</p> <p><b>Effect:</b> The City loses its ability to attract and retain high value global business activity, both as a physical location and in mediating financial and trade flows; the City Corporation’s business remit is damaged, and its perceived relevance is diminished. Reputational damage to the City as a place to do business and to Corporation ability to govern effectively</p>	<p>Likelihood</p>  <p>Impact</p>	12	<p>The risk score remains the same at an amber 12 although this is kept under regular review.</p> <p>This risk score is driven by (a) the ongoing Ukraine-Russia conflict, and (b) the increasing rate of inflation which is 9.0% at May 2022. Bank of England (BoE) expect inflation to rise to around 11% this year, with a target of 2% in around two years – BoE statement, 17 June 2022.</p> <p>Our strategic response to the overall challenges to UK Financial and Professional Services (FPS) competitiveness are in the Corporation’s Competitiveness Strategy. We have around 50 projects across the business plan, with 6 KPIs that provide strong indications of UK</p>	<p>Likelihood</p>  <p>Impact</p>	8	30-Apr-2023	

<p>22-Sep-2014 Damian Nussbaum</p>			<p>FPS performance. We re-evaluate the plan in the light of new challenges, to ensure our projects are adapted to new challenges.</p> <p>In the case of Russia's invasion of Ukraine, and increasing rate of inflation, two key areas that we have reinforced our efforts are:</p> <ul style="list-style-type: none"> <li>• The State of the City Report in conjunction with Treasury, laying out where the UK is,</li> <li>• Encourage the adoption of a competitiveness and growth secondary objective for the regulators.</li> </ul> <p>Other projects/initiatives that highlight our work are:</p> <ul style="list-style-type: none"> <li>• COP26</li> <li>• Global Investment Futures</li> <li>• Digital Sandbox.</li> </ul> <p>Work continues to implement the recommendations of the Recovery Taskforce, to create a competitive and attractive place for businesses and their employees.</p> <p><b>30 Jun 2022</b></p>			<p>Reduce</p>	<p>Constant</p>
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Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR02H	Work on initiatives which ensure London is at the forefront of innovation in financial and professional services	<ul style="list-style-type: none"> <li>• 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.</li> </ul>	Damian Nussbaum	14-Sep-2021	30-Apr-2023

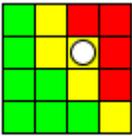
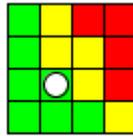
- Promotion of UK FPS offer globally: Replacing Lord Mayor and CPR physical international visit programme with virtual visits to key markets including US & North America/Japan/Singapore/Europe/Australia, as well as hosting over 50+ webinars reaching a global audience of over 7000, to continue to promote 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 global financial centre when measured across 100+ metrics.
- Creation of Retention Campaign in September 21, which seeks to proactively obtain accurate insights from key inward investors to better understand medium term investment plans, opportunities and threats. Linked with key projects on Competitiveness, Benchmarking and Global Mobility
- 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.			
CR02I	Work with colleagues across the Corporation to implement the recommendations of the Covid 19 Recovery Taskforce Report, Square Mile: Future City	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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':</li> </ul> <ul style="list-style-type: none"> <li>• Enable high potential businesses to start, adapt, and grow</li> <li>• Open London's opportunities to everyone</li> <li>• Curate thriving innovation ecosystems in strategic sectors</li> <li>• Create and sustain a vibrant and engaging City offer</li> <li>• Planning and enabling the future City</li> <li>• World-class streets and public spaces</li> </ul>	Damian Nussbaum	14-Sep-2021	30-Apr-2023

## Appendix 2: Corporate Risk Register Extract (excl. completed actions) CR10 Adverse Political Developments

Generated on: 01 July 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	Current Risk score change indicator
CR10 Adverse Political Developments	<p><b>Cause:</b> Policy issues that may compromise the City’s operation as an international financial marketplace to which the City Corporation’s functions are aligned; other financial and professional services issues that make the City Corporation vulnerable to political criticism; local government proposals that (either directly or indirectly) call into question the democratic legitimacy of the City of London Corporation; overarching political hostility.</p> <p><b>Event:</b> Changes in international relationships particularly those with the EU; reputational questions related to financial institutions; local government changes in London; low turnout for Common Council elections; increase in political hostility to the Corporation.</p> <p><b>Impact:</b> Damage to the City’s ability to put its case nationally and internationally and to the City’s standing as a dedicated international financial marketplace. Loss of investor confidence in, or attractiveness of, the Square Mile. 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 credibility for the City.</p>	<p>Likelihood</p>  <p>Impact</p>	12	<p>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> <p>The Russian invasion of Ukraine in February 2022 and the subsequent economic sanctions imposed on individuals and institutions associated with President Putin intensified focus on allegations of illicit finance in the financial services sector. Although the criticism is not as frequent as during the period immediately after the invasion, there is still a feeling “the City” (used as shorthand for the financial services sector) should be doing more to prevent illicit finance.</p> <p>The political environment remains</p>	<p>Likelihood</p>  <p>Impact</p>	4	30-Nov-2024	

22-Sep-2014 Paul Double				unsettled, with two Government by-election losses, and considerable criticism of the proposed alteration of the terms of the Northern Ireland protocol. Neither of these developments impact directly on the current risk score.				Reduce	Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR10a	Monitoring of Government legislation and proposed regulatory changes.	<p>Constant attention is given to the form of legislation affecting the City Corporation and the broader City, and any remedial action pursued. 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 as required.</p> <p>A new session of Parliament began on 10 May 2022. Legislation already introduced includes the Levelling Up and Regeneration Bill, the Public Order Bill, the Schools Bill, the Bill of Rights and the Online Safety Bill. The Office is liaising with the relevant City Corporation departments on the impact of the legislation and evidence has already been submitted to the Parliamentary Committees examining online safety and levelling up. A Financial Services and Markets Bill is anticipated before the summer recess and the office expects to be active on that Bill, working closely with colleagues in Innovation and Growth.</p>	Paul Double	30-Jun-2022	30-Nov-2024
CR10b	Provision of information to Parliament, Government and the London Assembly on issues of importance to the City.	<p>Making known the broad range of work of the City Corporation among opinion formers, particularly in Parliament and central Government, is 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 a crucial sector of the economy, and for London (and the nation) across a wide spectrum of activity.</p> <p>The Office continues to provide updates to the relevant departments and Members following major political developments and set piece Parliamentary events, the most recent followed the Queen's Speech in May.</p> <p>Recent matters raised with Committees or in debates in Parliament include to role of financial</p>	Paul Double	30-Jun-2022	30-Nov-2024

		services in the government's levelling up agenda, local air quality, sewage discharge into rivers, the work of the City Police in combatting fraud, the UK's representation in the EU, and the UK-India Free Trade Agreement.			
CR10c	Engagement with key opinion informers in Parliament and elsewhere. Programme of work to monitor and respond to issues affecting the reputation of the City Corporation.	<p>Liaison with the City's MP and other MPs, Peers and Select Committee of both Houses on matters of importance to the City. 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>The Office works closely with CPR's office over the CPR's parliamentary engagement programme, including providing content and briefing for bilateral meetings.</p> <p>The City's Parliamentary Terrace Reception took place on 15 June following a 2-year absence. It provided an opportunity for Members, Officers and representatives of City business to speak informally with Members of both Houses of Parliament on matters of interest. Over 140 guests attended, including a number of Ministers and members of the Opposition Front Bench. Follow up actions will be pursued in collaboration with the Corporate Affairs team and the Office of the Policy Chairman.</p>	Paul Double	30-Jun-2022	30-Nov-2024

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

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