



Audit and Risk Management Committee

Date: TUESDAY, 22 NOVEMBER 2022

Time: 2.00 pm

Venue: COMMITTEE ROOMS, 2ND FLOOR, WEST WING, GUILDHALL

Members:

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

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/GffOq5YJMtc>

A recording of the public meeting will be available via the above link following the end of the public meeting for up to one civic 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. **MINUTES OF THE PREVIOUS MEETING**

To agree the public minutes of the previous meeting held on 27 September 2022.

For Decision
(Pages 5 - 10)

4. **OUTSTANDING ACTIONS OF THE COMMITTEE**

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

For Information
(Pages 11 - 12)

5. **COMMITTEE WORK PROGRAMME**

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

For Information
(Pages 13 - 14)

Financial Statements

6. **2020-21 CITY FUND AND PENSION FUND STATEMENT OF ACCOUNTS APPROVAL**

Report of the Chamberlain (to follow).

For Decision

Internal Audit

7. **INTERNAL AUDIT UPDATE**

Report of the Chamberlain.

For Information
(Pages 15 - 30)

Anti Fraud and Corruption

8. COUNTER FRAUD & INVESTIGATIONS - 2022/23 MID-YEAR UPDATE REPORT

Report of the Chamberlain.

For Decision
(Pages 31 - 40)

Risk Management

9. RISK MANAGEMENT UPDATE

Report of the Town Clerk and Chief Executive.

For Information
(Pages 41 - 88)

10. DEEP DIVE RISK REVIEWS

For Information

a) Deep Dive: CR17 Safeguarding (Pages 89 - 94)

Report of the Chamberlain.

Other

11. TREASURY MANAGEMENT OUTTURN 2021/22

Report of the Chamberlain.

For Information
(Pages 95 - 100)

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

13. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

14. 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

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, 27 September 2022

Minutes of the meeting of the Audit and Risk Management Committee held at Guildhall, EC2 on Tuesday, 27 September 2022 at 2.00 pm

Present

Members:

Alderman Alexander Barr (Chair)
Alderman Prem Goyal (Deputy Chairman)
Gail Le Coz (Deputy Chairman)
Deputy Rehana Ameer
Deputy Randall Anderson
Deputy Christopher Boden
Paul Martinelli
Judith Pleasance
Karen Sanderson (External Member)
Naresh Hari Sonpar

Officers:

Ben Dunleavy	- Town Clerk's Department
Caroline Al-Beyerty	- Chamberlain
Michael Cogher	- Comptroller and City Solicitor
Dionne Corradine	- Chief Strategy Officer
Matthew Lock	- Chamberlain's Department
Neilesh Kakad	- Chamberlain's Department
Emma Moore	- Chief Operating Officer
Nathan Omane	- Chamberlain's Department
Tabitha Swann	- Town Clerk's Department
Sonia Virdee	- Chamberlain's Department
Tatianna Wanyanga	- Town Clerk's Department

Also in attendance

Sophia Brown	- Grant Thornton (External Auditors)
Paul Dossett	- Grant Thornton (External Auditors)

1. APOLOGIES

Apologies for absence were received from Deputy Henry Colthurst, Alderman Bronek Masojada, Paul Singh and Dan Worsley.

James Bromiley-Davis observed the meeting virtually.

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

There were none.

3. **MINUTES OF THE PREVIOUS MEETING**

Members received the public minutes and non-public summary of the meeting held on 12 July 2022.

A Member requested a correction to their comments on the discussion on the Annual Governance Statement (AGS). They said that they had asked for a discussion on including comments on the disruption to the normal elections process for Alderman that had been caused by the elections of Lord Mayor and Sheriffs in the AGS for 2021/22, but the minutes had recorded this as a request for it to be included in the next AGS. The Member would also send a private note to the Chairman and the Chairman of the Policy and Resources Committee on this matter.

The Town Clerk informed Members of two further matters of accuracy:

- Corrections to the departments of three officers
- Add that the Committee had given unanimous praise for the Annual Governance Statement 2021/22 (AGS)

Matters arising

The Chairman provided Members with an update on the issue of elections. He said that he had been engaged in separate conversations with both the Head of Electoral Services and the Chairman of the Policy and Resources Committee. The Chairman understood that a report on elections would be on the agenda for the next meeting of the Policy and Resources Committee (4 October 2022), and that there were indications that a Working Group would be set up on this area.

A Member said that it was important for Members to remember that the responsibilities of the Electoral Services team are specifically limited by law.

The City Solicitor said that he had also discussed the issue with Electoral Services. He said one area being considered was how much initial information was being provided to candidates on the legal limitations of Electoral Services. He clarified that it was not for the Returning Officer to become involved in certain disputes.

The Chairman welcomed the officers from Grant Thornton.

RESOLVED, that – the public minutes and non-public summary be approved as a correct record, subject to the above changes.

4. **OUTSTANDING ACTIONS OF THE COMMITTEE**

Members received the Outstanding Actions List.

Officers provided updates on the Outstanding Actions:

- Item 9 – the Chief Strategy Officer had reported on the concerns about financial risks wider than inflation to the Chief Officer Risk Management Group meeting on 7 September. The Group discussed it as part of the corporate risks overall, and chief officers undertook to keep in mind the Audit and Risk Management Committee’s concerns. She requested that the item now be closed.
- Item 12 - further to the Internal Audit review conducted, the recommended protocol between the City of London Corporation, GLA and Museum of London had not been developed. The Head of Internal Audit was aware that discussions on this were currently ongoing, but felt that a risk remained that the arrangement was not as formalised as it could be. A Member said that the extent of the cash-flow financing and the precise terms should be better spelled out. The Chamberlain informed Members that she had been in correspondence with the Museum of London to clarify the payment schedule for the monies owed to the project by the GLA and the Museum’s fundraising.
- Item 15 – the Head of Internal Audit expected to include the methodologies and resources of the Anti-Fraud team in a future update report to the Committee

5. **COMMITTEE WORK PROGRAMME**

Members received the Committee’s Work Programme.

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

6. **ANNUAL REVIEW OF THE TERMS OF REFERENCE OF THE AUDIT AND RISK MANAGEMENT COMMITTEE**

Members received a report of the Town Clerk relative to the annual review of the Committee’s terms of reference.

The Chairman advised Members that he felt the terms of reference could do with a refresh, and would circulate some suggested revisions to allow for informal discussion before a report to a future meeting.

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

7. **CITY FUND AND PENSION FUND AUDIT ARRANGEMENTS**

Members received a report of the Chamberlain relative to the arrangements for the City Fund and Pension Fund audit.

The Chamberlain informed Members that there was not currently a national agreement on how to treat the valuation of infrastructure assets. The Chamberlain and BDO had been considering ways to navigate this situation in order to get an audit opinion. Their recommended solution was to wait until after CIPFA and the Financial Reporting Council had agreed on what the accounting treatment should be. This would be a qualified opinion on an except for basis. The Chamberlain had consulted the Chairmen of the Finance Committee and the Audit and Risk Management Committee, and they agreed that this was a reasonable and pragmatic solution to closing down the audit for

the 2020/21 accounts. This solution would allow for the publication of the 2021/22 draft statement and would allow Grant Thornton to begin the City Fund audit.

Another consideration was that the Pension Fund included admitted bodies who were also waiting on an audit certificate for the pension accounts admitted into the City Fund statement. The Chamberlain said that the report presented at agenda item 7 was a pragmatic solution to how work could begin on this area without waiting for the final audit certificate.

The Chairman confirmed that the Chamberlain had kept him informed throughout this process and agreed that a pragmatic solution had to be the way forward. The Chamberlain added that she did not believe that the City Corporation would be alone in adopting measures like this.

A Member requested for the Chamberlain to lay out the minimum and the maximum levels of materiality in her opinion. The Chamberlain confirmed that this could be included, and officers further confirmed that the level of materiality in the audit was around £10m.

Members heard that officers hoped to have the 20/21 accounts signed off as soon as possible in order to enable Grant Thornton to begin their work. It was estimated that Grant Thornton would be able to bring a timeline to the Committee in March. The City's Cash and Bridge House Estates fund accounts were scheduled for the November meeting of the Committee, but officers were continually assessing as to whether that would be realistic. Officers undertook to notify Members if any changes were required to these timelines.

Members received an audit progress report and sector update from Grant Thornton.

A Member asked officers if there were any implications resulting from the delay in completing the housing benefit check. In reply, officers said that the delays had been caused by resourcing issues, both internally and with the auditors. The City Corporation had received various extensions and the work had been transferred from BDO to Grant Thornton. Officers from Grant Thornton added that they recognised the challenges faced in delivering housing benefit work across the sector, and now employed a specialist team to deliver this work. They were confident that, subject to the City Corporation's resources, they could progress this work for 2020/21 and 2021/22 as quickly as possible.

In reply to a Member's question, officers confirmed that the pension work had been deemed as a non-audit service by the Ethical Standards.

A Member requested that Grant Thornton provide their view on the implications of infrastructure assets for the City Corporation once there was greater clarity on this issue.

RESOLVED, that – Members:

- Note the contents of the report

- Agree to the proposed non-audit services.

8. DEEP DIVE CR29 INFORMATION MANAGEMENT

Members received a report of the Head of Internal Audit relative to a deep dive on CR29 Information Management.

The Deputy Chair (External) said she was concerned by the review's findings on split ownership of the risk, and the lack of mitigating actions, and asked what could be done to resolve this. In reply, the Head of Internal Audit said that they would use the risk management framework to escalate the concerns. The exposure on the risk was currently increasing because resource was not being given to actively mitigate the risk. The Chief Operating Officer (COO) said that the risk was currently jointly owned by her and the City Solicitor. She added that she felt the right place for ownership would be with the Head of IT, with the COO remaining as the responsible chief officer. The Head of IT role had not been filled permanently for several months, but a new officer would be starting shortly.

The Chairman asked who the equivalent risk holder would be in across comparable local authorities. The COO replied that it would commonly be held by IT departments, but this was not necessarily universal.

A Member suggested that the Committee should consider undertaking a risk appetite exercise, as it had been several years since this was last done.

The Chief Operating Officer said that the primary manifestation of the risk was lack of efficiency. There had also been a lack of sufficient training for staff on the tools which would help to improve things.

RESOLVED, that – the report be received, its contents noted and the feedback of the Committee be noted by officers.

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

There were no questions.

10. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

There being no accuracy issues or matters arising, the non-public minutes of the previous meeting were agreed in the public session.

There was no other business.

The meeting ended at 2.59 pm

Chairman

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AUDIT AND RISK MANAGEMENT COMMITTEE – Outstanding Actions – November 2022

Items from meeting held 24 May 2022		
ITEM	Action	Officer and target date
12. Internal Audit Update	Investigate the Major Programmes governance arrangements for the new Museum of London project.	Head of Internal Audit 27 September 2022 COMPLETED
15. Anti-Fraud & Investigations – 2021/22 Annual Report	Prepare a presentation on the methodologies and resources employed by the Anti-Fraud team.	Corporate Anti-Fraud Manager 22 November 2022

Items from meeting held 12 July 2022		
ITEM	Action	Officer and target date
9. Risk Management Update	Report concerns about financial risks wider than inflation e.g. supply chain, to Chief Officer Risk Group	Chief Strategy Officer 7 September 2022 (Chief Officers Risk Management Group) COMPLETED

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22/11/22

13/12/2022 (Special Meeting to
Consider the Financial Statements)

16/01/23

13/03/23

08/05/23

10/07/23

11/09/23

Category

Governance			Terms of Reference for the Audit and Risk Management Committee (Decision)		Annual Report of the Committee (Decision)	Annual Governance Statement (Decision)	
Internal Audit and Counter Fraud	Internal Audit Update (Information)		Internal Audit Update (Information)	Internal Audit Charter (Information)	Internal Audit Update - Year End Report (Information)	Internal Audit update (Information)	
	Counter Fraud and Investigations 6 Month Report (Information)			Outcome from External Quality Assessment of the Internal Audit Service (Information)	Counter Fraud and Investigations 12 Month Report (Information)		
					Head of Internal Audit Annual Opinion (Information)		
Risk Management	Risk Management Update (Information)		Risk Management Update (Information)	Risk Management Update (Information)	Risk Management Update (Information)	Risk Management Update (Information)	Risk Management Update (Information)
Deep Dive	CR17 Safeguarding (Information)		TBC (Information)	TBC (Information)	TBC (Information)	TBC (Information)	TBC (Information)
Accounts		Draft Bridge House Estates Accounts (Decision)					
		Draft City's Cash Accounts (Decision)					
		Draft City Fund and Pension Fund Accounts (Decision)					
External Inspections							
Other							

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Committee(s)	Dated:
Audit and Risk Management Committee	22/11/2022
Subject: Internal Audit Update	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	N/A
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: the Chamberlain	For Information
Report author: Matt Lock	

Summary

This report provides an update on Internal Audit activity since the last update provided to the July meeting of this Committee. The report summarises work completed up to 31 October 2022; 4 substantive Internal Audit reviews have been completed. Work is in progress at various stages for 8 Audit reviews.

Follow-up reviews undertaken over this period has identified some delays in implementing Internal Audit recommendations. It should be noted, however, that recent engagement with the Executive Leadership Board has resulted in a significant improvement over the past few weeks.

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 July 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, a Green Assurance rating in 1 instance. The Committee should note that a further 4 Audit reviews have been completed for our external clients (Museum of London and London Councils). The overall outcomes from the recently completed Audit reviews are summarised in the following table:

Audit Assignment	Assurance Rating	Recommendations Made		
		Red	Amber	Green
Barbican Centre - Ticketing System (Pandemic transaction adjustments)	Substantial	0	0	0
Guildhall School - Cyber Security	Moderate	0	8	5
Barbican Centre - Cyber Security	Moderate	0	4	3
Chief Operating Officer – Commercial Services Governance	Amber	0	10	1

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. The Committee is reminded that Internal Audit reports regularly to the Audit and Risk Management Committee of the Guildhall School and the Finance and Risk Committee of the Barbican Centre in relation to work completed for these institutions.
4. A dashboard view has been developed to summarise the work of Internal Audit, recently completed and in progress, this is included as Appendix 1 to this report. This includes information in relation to the overall status of Internal Audit recommendations made, which is further supported by a recently developed Recommendations Follow-up Dashboard, included as Appendix 2. Presenting information in this way, alongside positive engagement with the Executive Leadership Board has been instrumental in improving recommendation implementation.

Resourcing for Internal Audit

5. Two recruitment campaigns have been completed. The first, in the summer, resulted in the appointment of an Auditor, the on-boarding of this team member is now complete and they are making a positive contribution to the delivery of the Internal Audit programme of work. The second campaign took place in October, two Trainee Auditors have been appointed (subject to formal contracts at the time of writing) with December start dates anticipated. This will bring the team up to fully resourced, although it should be noted that a notable effort is required to integrate and support the Trainee Auditors, particularly in the first months.

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. Follow-up work has identified some concerns in relation to progress made implementing recommendations, although positive engagement with Senior Leadership has had a positive impact on this.

Appendices

- Appendix1 – Internal Audit Dashboard
- Appendix 2 - Recommendations Follow-up Dashboard

Matt Lock

Head of Internal Audit, Chamberlain's Department

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Internal Audit Dashboard

Work completed since last Committee Update

Final Audit Reports Issued

Barbican Centre	Ticketing System	Substantial Assurance
Guildhall School	Cyber Security	Moderate Assurance
Barbican Centre	Cyber Security	Moderate Assurance
Chief Operating Officer	Commercial Services Governance	Moderate Assurance

Follow-up
Reviews: **21**

Committee
Updates: **6**

Corporate Risk Assurance:

CR29 – Information Management
CR17 – Safeguarding

Audit Reviews in Progress:

- Corporate Wide – Compliance with Corporate Project Management Procedure
- Housing – Timeliness of Repairs
- Corporate Health and Safety – Second Line of Defence
- Corporate Wide – Use of Purchase Cards
- City of London Freeman's School – Key Controls
- City of London School for Girls – Key Controls
- Barbican Estate – Key Controls

Indicative Overall Assurance Opinion: Internal control environment remains adequate, although continued attention and effort is required to ensure implementation of Internal Audit recommendations

Follow-up outcomes

Total Recommendations: 147

62
Implemented

82
Outstanding

Open Recommendations: 82

8

Red

54

Amber

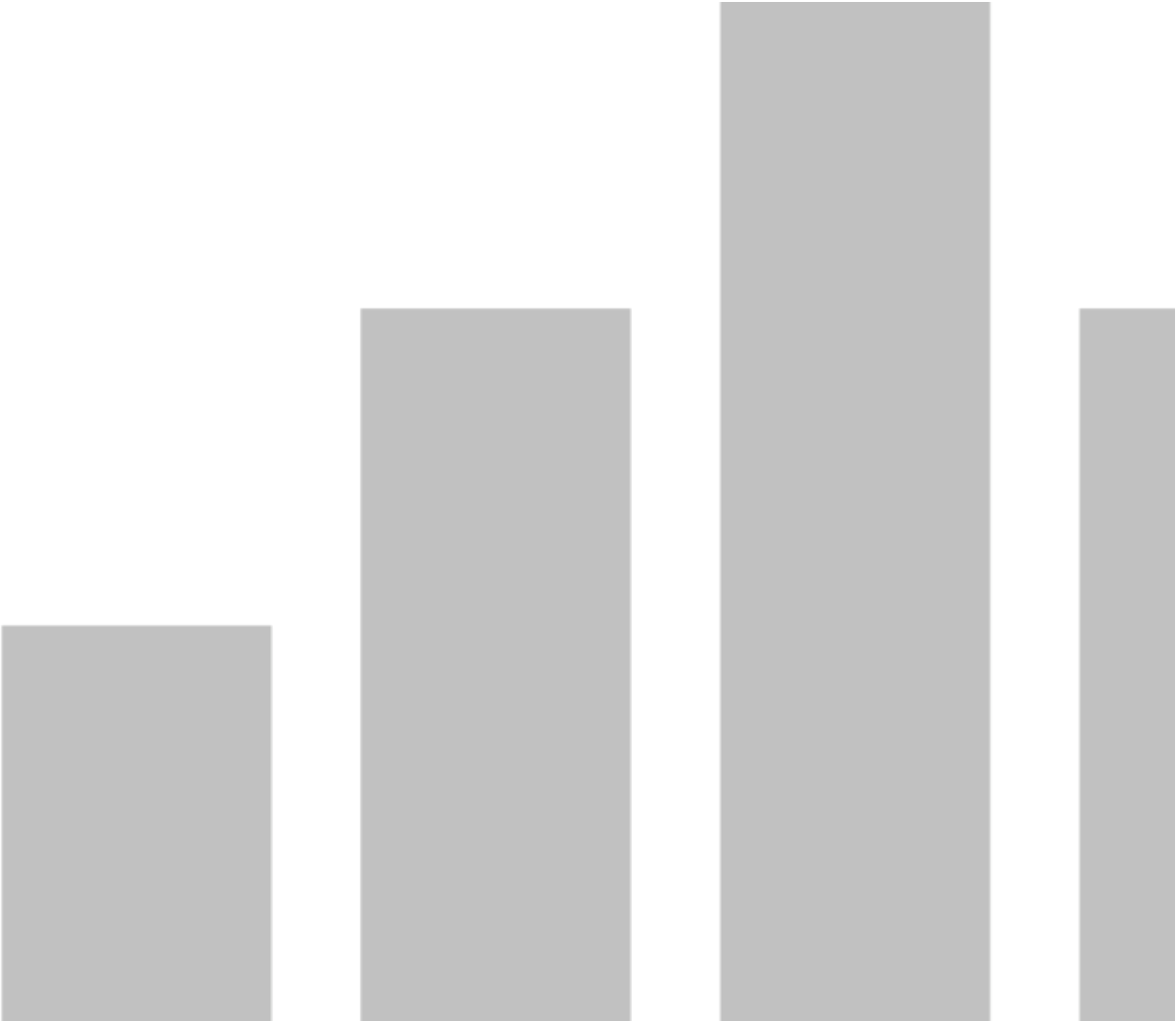
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Green

Date Prepared: 08/11/2022

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Internal Audit
Recommendations -
Follow-up
Dashboard







**Chief Operating
Officer (COO)**





Department of Community and Children's Services (DCCS)

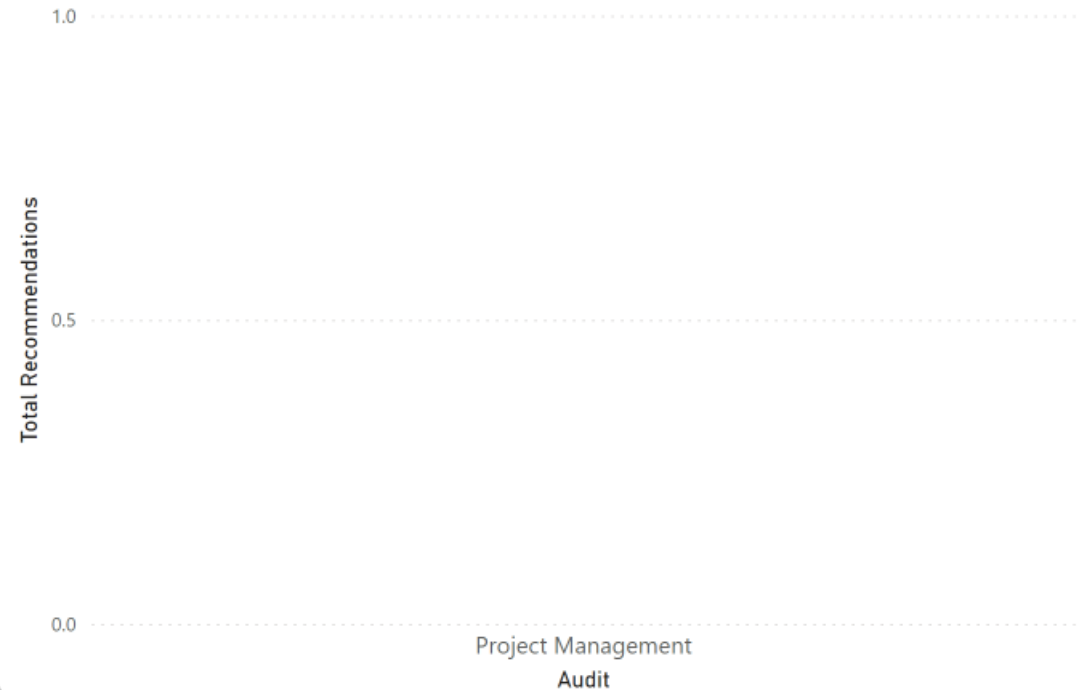






Innovation & Growth

Follow-up Stage: ● Follow-up Not Due ● First Follow-up ● Second Follow-up ● Third Follow-up



9

Total Recommendations
Raised

9

Total Recommendations
Implemented

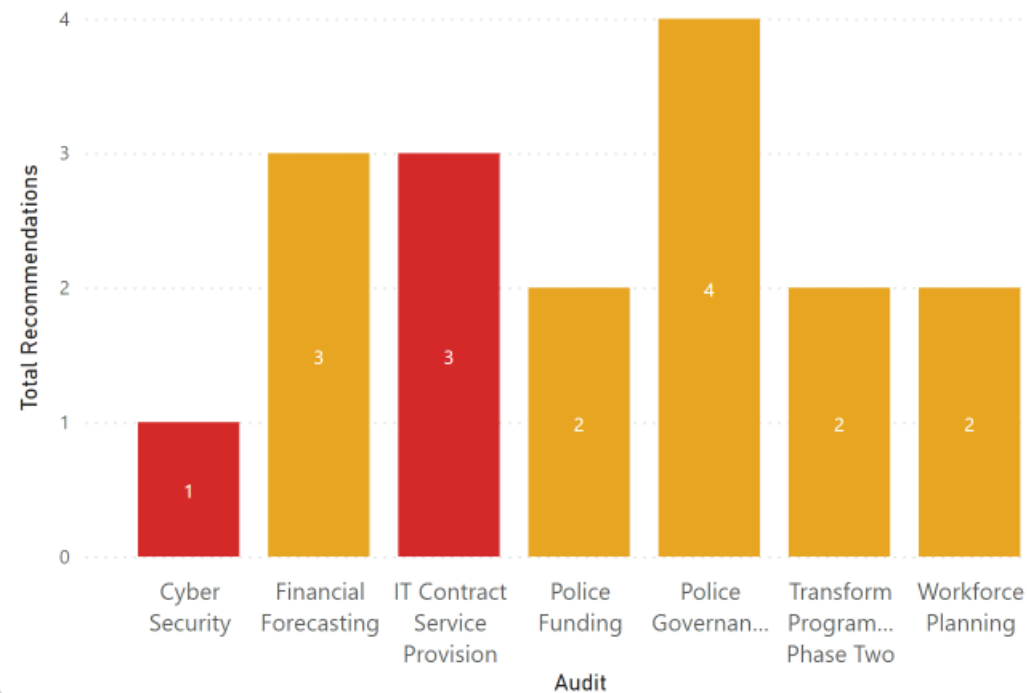
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Total Recommendations
Outstanding



City of London Police
(COLP)

Follow-up Stage: ● Follow-up Not Due ● First Follow-up ● Second Follow-up ● Third Follow-up



35

Total Recommendations
Raised

18

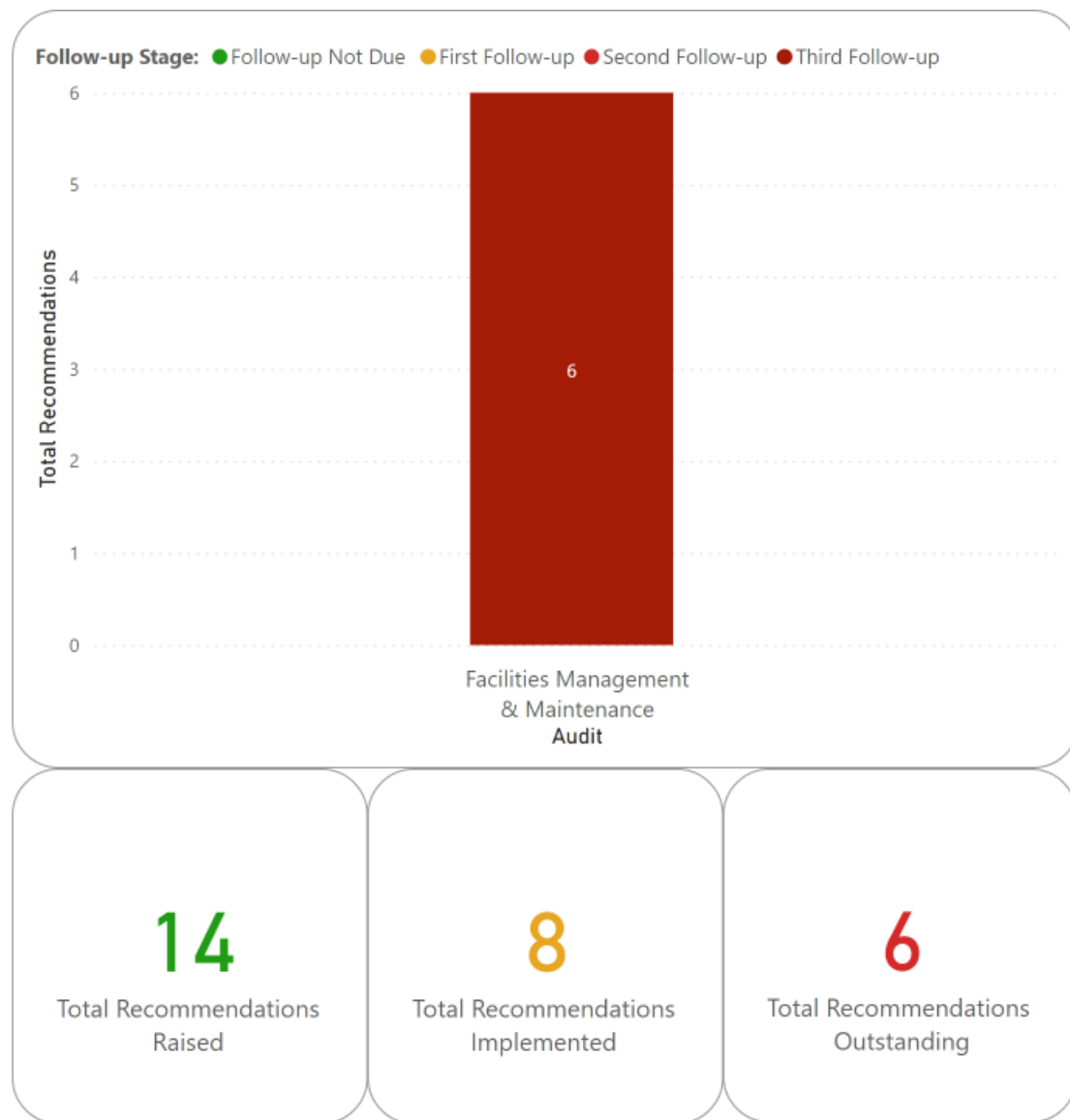
Total Recommendations
Implemented

17

Total Recommendations
Outstanding

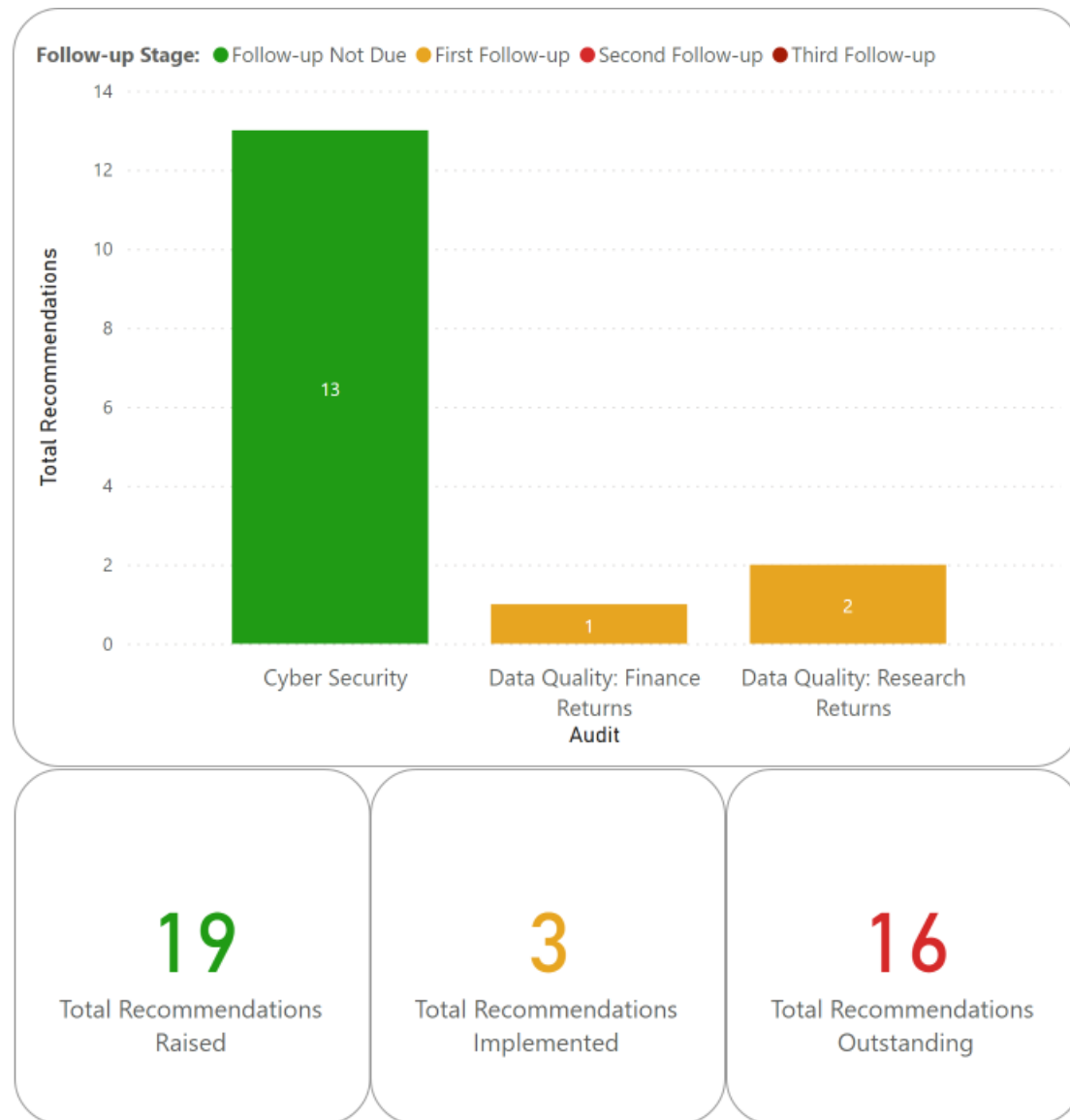


Barbican & GSMD





Guildhall School of Music & Drama (GSMD)



barbican

Barbican Centre



14

Total Recommendations
Raised

5

Total Recommendations
Implemented

9

Total Recommendations
Outstanding

Committee(s)	Dated:
Audit & Risk Management Committee	22 November 2022
Subject: Counter Fraud & Investigations – 2022/23 Mid-Year Update Report	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	N/A
Does this proposal require extra revenue and/or capital spending?	N/A
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain’s Department?	N/A
Report of: the Chamberlain	For Information
Report author: Chris Keesing, Counter Fraud & Investigations Manager	

Summary

In total 52 investigations, across all disciplines, have been completed during the reporting year, an increase of 27% since the same period last year. The associated value of fraud investigated during this period amounts to £1,085,261, with almost half of this value relating to one mandate fraud investigation.

The team have made a series of recommendations to mitigate the risk of fraud from mandate fraud, which are expected to further limit opportunities for fraudsters to target this fraud risk area.

An emerging fraud risk relating to agency workers undertaking multiple assignments across London has been identified, we are working across our professional networks to tackle this fraud risk and through the NFI London Fraud Hub user group to explore how the hub can be used to assist in the proactive identification of cross-boundary fraud in this area.

Recommendation(s)

- Members are asked to note the report.

Main Report

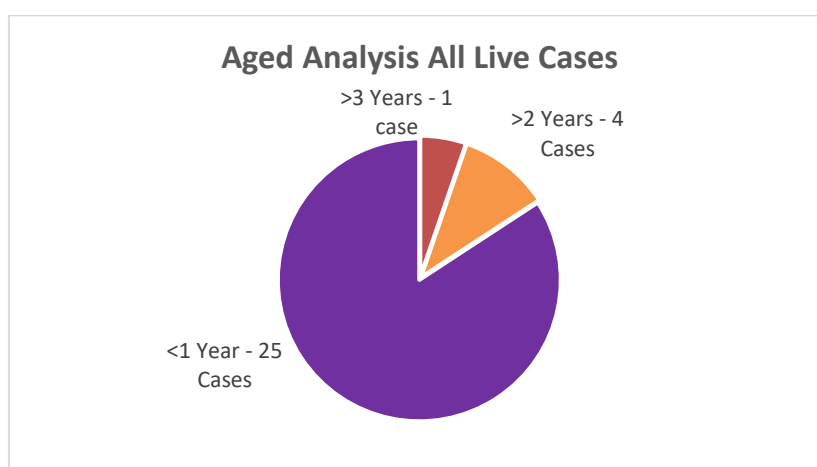
Background

1. This report provides Members with a mid-year update on the activity of the Counter Fraud and Investigation team during the first half of 2022/23. It also provides Members with an update against key anti-fraud initiatives and proactive measures to assist in the prevention detection and reporting of fraud and any emerging risks.

Investigation Activity Summary

2. An analysis of the number of cases investigated during the 2022/23 reporting year to date, compared to the same period during 2021/22 can be found at Appendix 1 to this report, showing all fraud types along with the value of frauds

detected. Analysis of live cases shows that of the 30 live cases currently under investigation 25 have been raised in the current reporting year, four cases have been open for two years and one case has been open for three years.



3. Our investigations have progressed well, with the associated value of fraud investigated from the 52 completed investigations during this period amounting to £1,085,261.

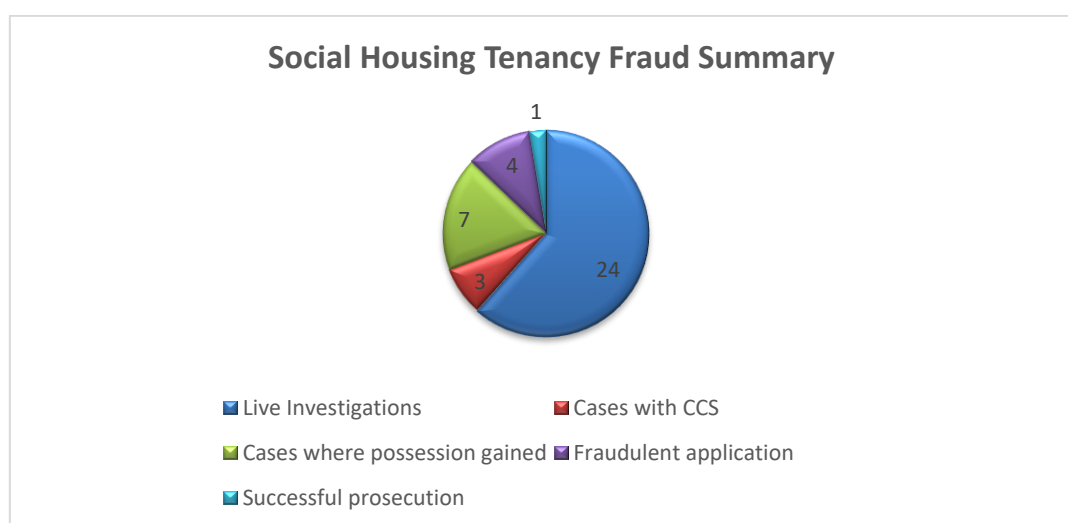
Corporate Investigation Activity

4. Five corporate investigations have been completed during the reporting year with an associated investigation value of £575,739. Corporate investigations relate to fraud, theft and misconduct allegations investigated by, or investigations supported by, the Counter Fraud Team.
5. One investigation concerned a mandate fraud with a value of £575,639 relating to an imposter fraud at a supplier commissioned to undertake works on a Bridge House Estates investment property. Whilst the funding area related to Bridge House Estates, we considered this to be a fraud against the City of London, providing the payment services across its operations as an enabling function. The fraud was successful owing to an imposter spoofing email addresses belonging to employees of the supplier, and a failure to follow procedure by an employee in the City's Accounts Payable team, who allowed the change of bank account request to be actioned without telephone verification as required under local procedures. Disciplinary action was taken against the employee who has subsequently left the City Corporation. The City was successful in recovering the funds from the fraudsters bank account in full, and six recommendations were made to improve the control framework following this investigation.
6. Following the identification of this fraud, a new protocol for the treatment of financial loss resulting from bank mandate fraud has been produced and deals with incidents of this nature. This protocol has been agreed between key stakeholders and sets-out the process for responding to mandate frauds impacting the City of London, across all of its funds and how any losses suffered as a direct result of such fraud will be covered.
7. In addition to the above, revised terms and conditions for suppliers and contractors have now been implemented by City Procurement, following

engagement with the Comptroller and City Solicitor. An electronic communications clause has been added to the official order form for all new suppliers and contractors, with each party being responsible for maintaining the integrity and security of its own data storage and transmission systems, taking into consideration current applicable guidance issued by the National Cyber Security Centre (“NCSC”).

Social Housing Tenancy Fraud

8. The team provides full investigative support across all aspects of housing, from initial applications to the investigation of tenancy breaches and right to buy screening. Five new Resident Services Officers are now in place across the City’s Estates following the TOM at the Department for Children’s and Community Services, and on-site liaison visits from the Fraud Team, along with a counter fraud and awareness session at the Barbican Estates Office has worked well, with new tenancy fraud referrals generated by estates staff being received by the team.
9. Although the volume of referrals in this reporting period remains consistent with the same period in 2021/22, recovery of property lost to fraud has increased by 38% from 5 units to 8 units, meaning that more housing can now be made available to those in need of affordable housing on the City’s waiting list.
10. We currently have two cases with the Comptroller & City Solicitor for prosecution action and one for civil recovery action. One case is currently awaiting sentencing and a financial order under the Proceeds of Crime Act and will be heard at the Central Criminal Court in January 2023, whilst the other prosecution case is subject to a first hearing at the City of London Magistrates and Court in February 2023.
11. A detailed summary of our work in this area, during the 2022/23 reporting year to date vs. the same period last year can be found at Appendix 2 to this report, whilst a snapshot can be found in the chart below.



12. Our work to tackle housing application fraud mitigates the risk of fraud entering the system from the outset and reduces losses to the public purse, although it

should be noted that fraud can occur at various stages of a tenancy through dishonest failure to report a change of circumstances.

National Fraud Initiative (NFI) & NFI London Fraud Hub

13. The Counter Fraud Manager is the Key Contact for the NFI participation for both the City Corporation and The City of London Police. Datasets mandated by the Cabinet Office for the biennial NFI exercise have all now been submitted for data matching in advance of the deadline, with output due in January 2023; this output will be reviewed by the team and by departmental NFI champions from the City Corporation and the City Police. Any serious fraud or corruption cases that meet the threshold for criminal investigation will be overseen, or directly managed by, the Counter Fraud Team or the City Police Professional Standards Division, as appropriate, in order to ensure that investigations comply with legal requirements and that any recommended disposal does not risk being prejudiced.
14. There are now 19 London Authorities signed up to the NFI London Fraud Hub allowing for the cross-boundary matching of data across London. The Counter Fraud Team have submitted data files in respect of pensions, housing, Council tax and blue badges with some of the output already reviewed; this is summarised below.

Pensions

15. Colleagues in the pensions team have reviewed the deceased records matches and found that in all cases the City was already aware of the deaths either from notifications from relatives or through deceased matching by their software supplier, therefore providing a degree of assurance in the current control measures to mitigate the risk of losses from unknown deceased pensioners.

Housing Waiting List

16. Data-matching housing waiting list data to deceased records identified three housing applicants who had passed away where the City was unaware; these applicants have now been removed from the City's waiting list. The NFI associated value of one deceased housing waiting list applicant is £3,240, thereby providing an associated value of £9,720 for these three cases.

Council Tax Single Person Discount (SPD)

17. Council Tax SPD data was matched to HMRC data through the fraud hub, from this exercise, 18 taxpayers in receipt of Council Tax SPD were found to have failed to report one or more additional people residing at their home, resulting in fraudulently claimed discounts of £18,979. These are in the process of being recovered by the Council Tax team.

Whistleblowing

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

19. The number of referrals received via whistleblowing channels is relatively low; however, when referrals are received, they are, at times, of high significance leading to further investigation. During the reporting year to date, two whistleblowing disclosures (as defined in the policy) have been received.
20. One disclosure received in 2022/23 related to an allegation of hospitality involving two employees; this was investigated by the Internal Audit and Counter Fraud Team and the allegations were found to have merit and reported to the relevant Chief Officer who provided a formal response to the employees. The risks to corporate contracts and procurement activity involving these employees were explored with colleagues in the City's Procurement Division at the same time and were considered to be negligible.
21. One disclosure remains under live investigation by the Internal Audit and Counter Fraud Team with further evidence to be collated and reviewed before considering any further formal investigation.

Emerging Risks

22. The team keep abreast of emerging risks through local and national networks including the London Borough's Fraud Investigators Group, the National Anti-Fraud Network (NAFN), the National Fraud Intelligence Bureau, and Cifas. Weekly NAFN Intelligence alerts have predominantly related to mandate fraud risks, and these are routinely shared with colleagues in the Accounts Payable team and disseminated on a risk-based approach.
23. A significant emerging risk has been identified across London concerning agency workers working multiple contracts concurrently. This risk has developed through the move towards a hybrid working model where less oversight over the whereabouts of agency staff exists and provides opportunities for workers to moonlight across multiple recruitment agencies/assignments as temporary workers. Through our professional networks we are exploring opportunities to undertake data matching through the London Fraud Hub to proactively tackle this fraud risk.

Corporate & Strategic Implications

24. The work of the Team is designed around minimising the risk of fraud across the organisation by providing a comprehensive counter fraud and investigation response with a clear focus on safeguarding the City's assets and recovering any losses due to fraud; this is underpinned by our Anti-Fraud & Corruption Strategy, which gives due regard to the Corporate Plan. The NFI London Fraud Hub provides a proactive cross-boundary mechanism to support us in identifying fraud at an early stage through regular data matching activity and in emerging fraud risk areas using powers under the Local Government Act 1972. The confidential whistleblowing arrangements managed by the Team ensure that a safe and secure mechanism for raising concerns is maintained and that these concerns are acted upon.

Conclusion

25. The volume of completed investigations has risen by 29% compared to the same period last year and the value of fraud investigated has risen significantly,

although this was mainly owing to a significant mandate fraud to the value of £575,639.

26. The NFI London Fraud Hub is progressing well and identifying fraud in a number of service areas. The scope to proactively tackle the emerging fraud risks of agency workers undertaking multiple assignments across London using the Fraud Hub has the potential to significantly lower this risk and protect the City's funds.

Appendices:

- **Appendix 1 – Analysis of the number of cases investigated during the 2022/23 reporting year to date compared to the same period in 2021/22.**
- **Appendix 2 - Housing Tenancy Fraud Caseload Analysis during the 2022/23 reporting year to date compared to the same period in 2021/22.**

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Appendix 1 - Analysis of the number of cases investigated between 01/04/2022 and 31/10/2022

1. The chart below provides a detailed analysis of the number of completed investigations, during the first half of the reporting year 2022/23, showing all fraud and investigation types along with the value of investigated cases, including where these can be quantified, the value of corporate and whistleblowing investigations. It also provides the previous half yearly reporting data for comparative purposes.
2. The nature of the concerns raised under the City's whistleblowing channels mean that not all investigations completed under this discipline will have a financial value attached but may instead result in other outcomes such as disciplinary action, or control environment recommendations.

Activity	Completed Investigations 01/04/2022 – 31/10/2022	Value (£'s) 01/04/2022 – 31/10/2022		Completed Investigations 01/04/2021 – 31/10/2021	Value (£'s) 01/04/2021 – 31/10/2021
Social Housing Tenancy Fraud ¹	8	477,008 ^(N)		5	298,130 ^(N)
Right to Buy ²	15	Nil		16	Nil
Housing Application Fraud ³	4	12,960		3	9,720
Blue Badge Fraud	1	575		0	Nil
Corporate Investigations ⁴	5	575,739		6	38,928
Council tax investigations	18	18,979		3	7,681
Whistleblowing Disclosures	1	Nil		5	Nil
Total	52	1,085,261		38	354,459

Notes:

¹Successful possession gained has a notional cost of £59,626 loss to the public purse as per tenancy fraud values formula designed and produced by the Tenancy Fraud Forum and the London Borough Fraud Investigators Group.

²Right to Buy uses true discount value £112,300 per property.

³ Positive outcomes in respect of housing application fraud investigations result in stopping fraud impacting the City at the point of application and mitigates future investigation costs and losses to the public purse, in essence, avoiding the equivalent cost of a tenancy fraud. Associated NFI value £3,240 per outcome.

⁴ Corporate Fraud Investigations include cases of fraud, corruption, theft or conduct investigated directly by Internal Audit and/or investigation supported by Internal Audit & Risk Management.

^(N) Denotes Notional Value

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Appendix 2 – Housing Tenancy Fraud Caseload Analysis 01/04/2022 to 31/10/2022

Housing Tenancy Fraud Case Referrals	01 April 2022 to 31 Oct 2022	01 April 2021 to 31 Oct 2021
Housing tenancy fraud referrals received in current year	23	26
Right to buy referrals received in current year	15	16
Housing application referrals received in current year	6	6
Cases carried forward from previous year (all disciplines)	34	32
Total	78	80
Cases/referrals currently under investigation	24	19
Cases/referrals closed with no further action	39	46
Cases with Comptroller & City Solicitor for prosecution¹	2	3
Cases with Comptroller & City Solicitor for civil recovery¹	1	4
Cases where successful possession gained³	7	5
Cases where successful prosecution action taken	1	0
Cases where fraudulent application identified²	4	3
Dishonest Right to buy fraud identified	0	0
Total	78	80
Total value of losses to the public purse from social housing tenancy fraud³	£489,968^(N)	£298,130^(N)
Notes: ¹ Cases with the Comptroller & City Solicitor only included as positive outcomes upon completion of successful criminal/civil action as appropriate. Where offences committed are serious enough to warrant criminal/civil proceedings these are progressed under the Prevention of Social Housing Fraud Act 2013 and/or the Fraud Act 2006 and/or the Housing Act 1985. ² Fraudulent application includes housing register applications, dishonest succession applications and mutual exchange applications denied. Associated NFI value £3,240 per outcome. ³ Successful possession gained has a notional cost of £59,626 loss to the public purse as per tenancy fraud values formula designed and produced by the Tenancy Fraud Forum and the London Borough Fraud Investigators Group. Positive outcomes in respect of housing application fraud investigations result in stopping fraud impacting the City at the point of application and mitigates future investigation costs and losses to the public purse. Right to Buy uses true discount value £112,300 per property. ^(N) Denotes Notional Value		

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Committee(s): Audit and Risk Management Committee	Dated: 22/11/2022
Subject: Risk Management Update	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	N/A
Does this proposal require extra revenue and/or capital spending?	N/A
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: Town Clerk and Chief Executive	For Information
Report author: Tatianna Wanyanga, Corporate Risk Manager	

Summary

This report provides the Committee with an update on the corporate and top red departmental risk registers since last reported to the Committee in July 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 outlined in this report.
- That CR35 Unsustainable Medium Term Finances has been split into two - CR35 City Fund and CR38 City's Cash - with both risks now showing as red.
- That CR16 Information Security has increased its risk rating, moving from amber to red.
- That CR17 Safeguarding has been reviewed by the Internal Audit team and is included in the Committee papers separately.

Main Report

Background

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

2. The corporate and red departmental risk registers were reviewed by the Chief Officer Risk Management Group (CORMG) on 9 November 2022 as Senior Officers accountable for CoLC risk management actions, decisions and outcomes.

Current Position

All Risks

3. Table 1 below shows the overall number and risk ratings of all risks recorded on the Pentana Risk system as at November 2022 compared with end June 2022 (the figures last seen by the Committee). Following discussions at the CORMG on 9 November, one red departmental risk has been temporarily deactivated pending further review and is therefore not reflected in the stats.

Risk rating (RAG)	Nov 2022	June 2022	Difference
Red	74	57	+17
Amber	259	259	0
Green	126	139	-13
Total	459	455	+4

Table 1: **November 2022:** Overall Risk Numbers by RAG Rating on Pentana (10/11/22)

4. Table 2 below shows the breakdown of the rated red, amber and green risks by risk level as at November 2022 compared to the end of June 2022.

Risk rating	Red		Amber		Green	
Risk level	Nov 2022	June 2022	Nov 2022	June 2022	Nov 2022	June 2022
Corporate	5	2	9	11	0	0
Departmental	24	19	81	93	25	28
Service	45	35	169	155	100	110
Team	0	1	0	0	0	0
PPM	0	0	0	0	1	0
Total	74	57	259	259	126	139

Table 2: **November 2022:** Breakdown of RAG Risks by Risk Level (10/11/22)

Corporate Risks

5. Attached to this paper at Appendix 1 is the corporate risk register showing the seven risks above appetite and at Appendix 2 a summary report showing all corporate risks.
6. There are currently 14 corporate risks on the corporate risk register (5x Red, 9x Amber).
 - CR35 Unsustainable Medium Term Finances has been split into two with both risks rated red (see Appendix 3.1 and 3.2 for the new and original versions):
 - i. CR35 Unsustainable Medium Term Finances City Fund; and
 - ii. CR38 Unsustainable Medium Term Finances City's Cash.

- CR16 Information Security has increased its risk score from 12 to 24, moving from amber to red.
 - All other corporate risk scores and ratings have remained constant.
7. **CR35/38 Unsustainable Medium Term Finances:** The split in the CR35 risk was made in November and reported into the November Finance Committee. Previously, CR35 had an amber risk rating of 12 (4x3 – impact major, likelihood possible). Both the revised CR35 City Fund and new CR38 City’s Cash have red risk ratings of 24 (8x3 – impact extreme, likelihood possible).
 8. This revised scoring is a result of increased financial pressures due to high inflation, construction inflation running at 20%, contraction in key income streams and an increase in bad debts following post-pandemic change in working practices. In addition, there is an anticipated decline in public sector funding for both local government and police, increasing demands on revenue and capital and an ambitious programme of major project delivery.
 9. **CR16 Information Security:** The impact has changed from major to extreme as a result of lessons learnt from the Hackney cyber-attack incident which cost over £12M and took more than a year to remediate, with negative publicity for a significant period on top of this. This has increased the risk rating from amber 12 (4x3 - impact major, likelihood possible) to red 24 (8x3 - impact extreme, likelihood possible). Mitigations are and will be continually reviewed.
 10. Several security initiatives are being implemented to further reduce risk to the organisation, including:
 - decommissioning legacy technology.
 - working with the City of London Police on a Cyber Awareness campaign.
 - an external test of security and reconfiguring parts of our infrastructure.
 - a root and branch review of our people, process, technology within security.
 11. Table 3 below shows a summary of all CoLC corporate risks as of November 2022.

Risk reference	Title	Risk Score	Risk score icon	Trend Icon	Risk flight path (last 12 assessments)
CR16	Information Security (formerly CHB IT 030)	24			
CR35	Unsustainable Medium Term Finances - City Fund	24			
CR38	Unsustainable Medium Term Finances - City's Cash	24			
CR36	Protective Security	16			
CR37	Maintenance and renewal of Physical Assets- Investment property and Corporate (operational) property (excluding housing assets)	16			
CR01	Resilience Risk	12			
CR02	Loss of Business Support for the City	12			
CR10	Adverse Political Developments	12			
CR21	Air Quality	12			
CR29	Information Management	12			
CR30	Climate Action	12			
CR33	Major Capital Schemes	12			
CR09	Health Safety and Wellbeing Risk (Management System)	8			
CR17	Safeguarding	8			

Table 3: **November 2022**: List of Current Corporate Risks by Current Risk Score. CR38 although a new risk on the system, is showing as increased to reflect the change in CR35 of which it used to be part.

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

	Minor	Serious	Major	Extreme
Likely				
Possible				
Unlikely				
Rare				

Table 4: **Nov 2022** Corporate Risk Heatmap

	Minor	Serious	Major	Extreme
Likely				
Possible				
Unlikely				
Rare				

Table 5: **June 2022** Corporate Risk Heatmap

Red Departmental Risks

13. There are 24 departmental red risks (an increase from 19 in June 2022). Eight risks have been added and three risks removed¹. A summary report of the top red departmental risks is attached at Appendix 4.

14. The eight additions to the risk register are as follows:

- a. **BBC Finance 008** Shortage of staff in key areas of the business (Aug 2022)

¹ Following CORMG on 9 November, an additional risk was deactivated, pending further review.

- b. **BBC H&S 005** Failure to deliver the fire-related projects (Aug 2022)
- c. **COO-MKT-WM 004** Wholesale Markets – Traffic Management (Aug 2022)
- d. **BBC CL 002** Safeguarding (Sept 2022)
- e. **BBC Buildings 025** Inadequate and inappropriate levels of engineering resource (Oct 2022)
- f. **SUR SMT 006** Construction consultancy management (Oct 2022)
- g. **GSMD DDP 002** Reduced recruitment and retention of key staff (Oct 2022)
- h. **CLF 016** Financial sustainability (Nov 2022)

15. The three risks removed (to be handled at service level) are as follows:

- a. **SUR CB 003** City Bridges Substantial vessel strikes
- b. **SUR CB 006** City Bridges Wanton Damage/Terrorism
- c. **SUR CB 007** City Bridges – Tunnelling for the Thames Tideway Tunnel

16. The three highest rated departmental risks, with current risk scores of 24 (all other risks have a rating of 16) are:

- a. **ENV-PHPP-001** Brexit Impact on Port Health and Animal Health
- b. **CLS-OPS-002** Cyber Security (scoring increased from 16 in Sep 2022)
- c. **ENV-CO-TR-001** Road Safety

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

17. 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 above appetite excluding completed actions
- Appendix 2: Corporate Risk Register Summary Report
- Appendix 3.1: CR35 and CR38 new risks
- Appendix 3.2: CR35 original risk as at September 2022
- Appendix 4: Red Departmental Risks Summary

Tatianna Wanyanga

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Appendix 1

Corporate Risks Detailed Summary

Risks Above Appetite (Excluding Completed Actions)

Report Author: Tatianna Wanyanga
Generated on: 10 November 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	Flight path
CR16 Data Security (formerly BB IT 030) 10-May-2019 Emma Moore	<p>Cause: Breach of City of London Corporation IT Systems resulting in unauthorised access to data by internal or external sources.</p> <p>Event: The City Corporation does not adequately prepare, maintain robust (and where appropriate improve) effective IT security systems and procedures.</p> <p>Effect: a) Failure of all or part of the IT Infrastructure with associated business systems failures. b) Harm to individuals. c) A breach of legislation such as the Data Protection Act 2018 and UK-GDPR. d) Incurrence of a monetary penalty. e) Corruption of data. f) Reputational damage to City of London Corporation as an effective body.</p>	<p>Likelihood</p> <p>Impact</p>	24	<p>After reviewing the Pentana scoring system, we have changed the impact to Extreme due to the lessons learnt from the Hackney Cyber Attack incident where it cost over £12m and over a year to remediate. There was also negative publicity for over a year afterwards.</p> <p>The project to implement a raft of new security improvements is complete</p> <p>08 Nov 2022</p>	<p>Likelihood</p> <p>Impact</p>	16	<p>31-Mar-2023</p> <p>Reduce</p>	

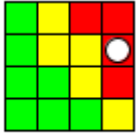
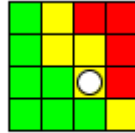
Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR16n Work on a simulated cyber attack is being planned with the IT Security Team	Work on a simulated cyber attack is being planned with the IMS Team	A White Hat activity – this is where we employ an Ethical Hacker to try to gain access to COL systems using typical hacking tools and techniques	Gary Brailsfor d-Hart	08-Nov-2022	31-Jul-2022
CR16p There will be a monthly comms plan around Cyber with monthly messages being sent out to all staff around the organisation	There will be a monthly comms plan around Cyber with monthly messages being sent out to all staff around the organisation	To be planned by the Cyber Security team within COLP, and agreed by COL IT	Gary Brailsfor d-Hart	08-Nov-2022	30-Dec-2022

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Flight path
CR35 Unsustainable Medium-Term Finances - City Fund	<p>Causes: High inflation – Office for Budget Responsibility forecasting peak in Autumn 2022. Construction inflation running at 20%. 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>Event: 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. Inability to contain construction inflation or inability to rescope capital schemes within budgets.</p> <p>Effects: Additional savings over and above those identified 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. Inability to deliver capital programme and major projects within affordability</p>	<div> <div>Likelihood</div> </div> <div> <div>Impact</div> </div>	24	<p>Retail Price Index rose by 12.6% and Consumer Price Index rose by 10.1% in 12 months to September 2022. Inflation is predicted to fall to 4% in 2023, however increases are feared to be embedded creating pressures on service/departamental 2022/23 budgets and on the Housing Revenue Account.</p> <p>Construction inflation has risen to c20%</p> <p>Pinch points are currently being identified by finance business partners. Mitigations currently include inflation contingencies and tight financial disciplines.</p> <p>Income from investment property and from business rates holding up well. The £30m ringfenced reserve for income loss has not been utilised.</p> <p>The risk score has increased to red.</p> <p>Trigger point was reached on capital programme.</p> <p>Policy and Resources Committee has increased the budget on Salisbury Square by £60m, however £57m of that is allocated to City's Cash as relates to the Courts element.</p> <p>Resource Allocation Sub Committee is currently reprioritising the BAU capital programme.</p> <p>The CWP programme is being considered under the Operational Property review with</p>	<div> <div>Likelihood</div> </div> <div> <div>Impact</div> </div>	8	31-Mar-2023	

19-Jun-2020 Caroline Al-Beyerty	parameters. 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.			recommendations to Operational Property and Projects Sub Committee. Regular monitoring of inflationary pressures, with Quarterly reporting of inflation against contingencies held. 04 Nov 2022				

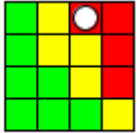
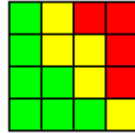
Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR35a Impact of inflation Page 50	Impact of inflation • Rising inflationary pressures on energy costs • Rising inflationary pressures on construction and labour costs	1) Inflation contingency held: 3% 22/23 additional sums allocated from 21/22 underspends 23/24 includes 4% inflation increase within departments and 2% efficiency saving; 2) CF - £3m contingency ringfenced for construction inflation under Major Projects reserve. The MTFP assumptions will be reviewed as part of 2023/24 budget setting. Some mitigations provided with increased income from cash balances.	Sonia Virdee	04-Nov-2022	31-Mar-2023
CR35b Impact on the HRA	• Capital schemes are forecast to exceed budget. Reprioritisation of the schemes within envelope is needed and latest position will be reported to Resource Allocation Sub Committee for approval in November 2022 following discussion with Chairmen. • Review of HRA commissioned and due to report at the end of November 2022. • Alternative sources of funding for Fire Safety Works element of Major Works Programme to enable HRA to remain in surplus. • Need to monitor identified expenditure risks around recovery of leaseholder contributions following the decision not to allow the Appeal of the Great Arthur Cladding case. • Housing 30 year financial projects have been completed.	Capital schemes are forecast to exceed budget. Reprioritisation of the schemes within envelope is needed and latest position will be reported to Resource Allocation Sub Committee for approval in November 2022 following discussion with Chairmen. Review of HRA commissioned and due to report at the end of November 2022. Housing 30 year financial projects have been completed. Alternative sources of funding for Fire Safety Works have been agreed. Need to monitor identified expenditure risks around recovery of leaseholder contributions following the decision not to allow the Appeal of the Great Arthur Cladding case.	Mark Jarvis; Paul Murtagh	04-Nov-2022	31-Mar-2023
CR35c Impact	£400m cost pressure identified for the major	Policy and Resources reprioritised ambitions at its October meeting to remain within the affordability	Sonia	04-Nov-2022	31-Mar-2023

of construction inflation	projects across City Fund and City's Cash. Reprioritisation required and periodic monitoring.	<p>envelope.</p> <p>Resource Allocation Sub Committee currently considering action needed to ensure the capex programme remains within budget or headroom can be found from ring fenced funds.</p> <p>Capital Buildings Committee monitoring delivery within the revised budget envelopes.</p> <p>Periodic reporting on capital position to Finance Committee – next report to December Finance Committee.</p>	Virdee		
CR35d Business rates	Reduction in business rates, E.g. through reduction in occupancy or ability to pay.	<ul style="list-style-type: none"> • Monthly monitoring in place. The 2022/23 collection rate figure for Q2 is 56.22% which is significantly up on the same point last year which was at 50.69%. Improved collection has been assisted by the award of the CARF scheme. • The COVID Additional Restriction Relief scheme (CARF) has been provided to 11,500 businesses. This resulted in a 20% reduction to business rates bills for 21/22 and represents a total of £60m in relief. • Collection fund deficit to be factored into the MTFP. • There has been an increase in the amount of empty property resulting in more relief being claimed. • 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. • Impacts will continue to be monitored. 	Phil Black	04-Nov-2022	31-Mar-2023
CR35e A reduction in key income streams	<p>A reduction in key income streams and increase in bad Debt</p> <p><i>Triggers:</i></p> <p><i>Increase in loss of property investment portfolio income over £5m p.a.</i></p>	<p>This is being monitored monthly, with action being taken to reduce spend where possible.</p> <p>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</p> <p>Sums to mitigate risk are being held in Reserves - £30m in City Find.</p> <p>Outstanding sums are reducing across all Income Streams with significant improvement in Investment Property, Business Rates and Council Tax. Council Tax income is now above pre-pandemic levels and Investment Property.</p>	Phil Black; Sonia Virdee	04-Nov-2022	31-Mar-2023
CR35f Achievement of current Savings Programme	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. There is a risk to delivering elements of these savings plan and sustaining the 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). Star chamber led by the Chamberlain and Town Clerk are currently taking place to ensure departments are achieving savings. This is further supported by Member led bilateral meetings with service committee chairmen for departments that have not achieved year on year permanent savings.	Alistair Cook; Sonia Virdee	04-Nov-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	Flight path
CR38 Unsustainable Medium-Term Finances - City's Cash	<p>Causes: High inflation –Office for Budget Responsibility forecasting peak in Autumn 2022. Construction inflation running at 20%. Contraction in key income streams and increase in bad debts following post pandemic change in working practices.</p> <p>Event: Inability to contain financial pressures within year (2022/23) and compensatory savings and/or income generation not realised requiring further draw down on Reserves. Inability to contain construction inflation or inability to rescope capital schemes within budgets.</p> <p>Effects: Additional savings over and above those identified 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. Inability to deliver capital programme and major projects within affordability parameters. 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>	<p>Likelihood</p>  <p>Impact</p>	24	<p>Retail Price Index rose by 12.6% and Consumer Price Index rose by 10.1% in 12 months to September 2022. Inflation is predicted to fall to 4% in 2023, however increases are feared to be embedded creating pressures on service/departmental 2022/23 budgets.</p> <p>Construction inflation has risen to c20%</p> <p>Pinch points are currently being identified by finance business partners. Mitigations currently include inflation contingencies and tight financial disciplines.</p> <p>Income from investment property has slightly fallen however plans are in place to bring this back to budget.</p> <p>The risk score has increased to red.</p> <p>Trigger point was reached on capital programme.</p> <p>Policy and Resources Committee has reprioritised the major projects; and rescope the Markets project.</p> <p>Resource Allocation Sub Committee is currently reprioritising the BAU capital programme.</p> <p>The CWP programme is being considered under the Operational Property review with recommendations to Operational Property and Projects Sub Committee.</p> <p>Regular monitoring of inflationary</p>	<p>Likelihood</p>  <p>Impact</p>	8	31-Mar-2023	

31-Oct-2022 Caroline Al-Beyerty				pressures, with Quarterly reporting of inflation against contingencies held. 04 Nov 2022				
							Reduce	

Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR38a Impact of inflation	Impact of inflation <ul style="list-style-type: none"> • Rising inflationary pressures on energy costs • Rising inflationary pressures on construction and labour costs 	The five year financial plan is currently being reworked for 2023/24 budget cycle: 1) Inflation contingency held: 3% 22/23 additional sums allocated from 21/22 underspends 23/24 includes 4% inflation increase within departments and 2% efficiency saving; 2) £1m contingency ringfenced for construction inflation under capital programme.	Sonia Virdee	04-Nov-2022	31-Mar-2023
CR38b Impact of construction inflation on capital programme	Impact of construction inflation on capital programme: <ul style="list-style-type: none"> • Major projects • Business as usual capital programme 	£400m cost pressure identified for the major projects across City Fund and City's Cash. Policy and Resources reprioritised ambitions at its October meeting to remain within the affordability envelope. Resource Allocation Sub Committee currently considering action needed to ensure the capex programme remains within budget or headroom can be found from ring fenced funds. Capital Buildings Committee monitoring delivery within the revised budget envelopes Periodic reporting on capital position to Finance Committee.	Sonia Virdee	04-Nov-2022	31-Mar-2023
CR38e A reduction in key income streams and increase in bad Debt	A reduction in key income streams and increase in bad Debt <i>Triggers:</i> <i>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. Outstanding sums are reducing across all Income Streams with significant improvement in Investment Property, Business Rates and Council Tax. Council Tax income is now above pre-pandemic levels and Investment Property.	Phil Black; Sonia Virdee	04-Nov-2022	31-Mar-2023
CR38f Achievement of current Savings Programme	Achievement of current Savings Programme – includes flight path savings (Fundamental Review) and securing permanent year on year savings (12%).	Star chambers led by the Chamberlain and Town Clerk are currently taking place to ensure departments are achieving savings. This is further supported by Member led bilateral meetings with service committee chairmen for departments that have not achieved year on year permanent savings.	Sonia Virdee	04-Nov-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	Flight path
CR36 Protective Security	<p>Cause: 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>Event: 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>Effect: 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	<p>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 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>Work continues in all areas, there is now a new Protect Bridges Board. All high-risk events continue to have resilient command structures. Protect Security Advisory Board</p>	<p>Likelihood</p>  <p>Impact</p>		01-Jan-2024	

10-Jan-2022 John Barradell; Richard Woolford				work, is nearly completed and maintains an equilibrium on continual monitoring working with COLP. 30/08/22 05 Sep 2022				
							Reduce	

Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR36a Governance Page 55	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> <p>Changes to CoLP also captured with embedded new membership.</p> <p>There is now a new Protect Bridges Board, covering all security risks across the City Bridges, chaired by COO BHE Simon Latham</p> <p>Continual monitoring continues</p>	John Barradell	05-Sep-2022	01-Jan-2024
CR36b Police Contest	Police Contest Board	<p>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.</p> <p>Introduction meeting in place for RW, SC, IH to meet with new Cmdr from COLP. Attendance and support to this board continues</p> <p>Meeting took place with Commander Umer Khan, and attendance continues to Contest Board from either IH, SC or RW.</p> <p>Continual monitoring continues.</p>	Richard Woolford	05-Sep-2022	01-Jan-2024
CR36c Command and Control	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>	Richard Woolford	05-Sep-2022	01-Jan-2024

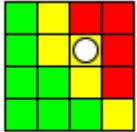
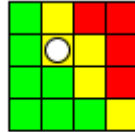
Page 56

		<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> <p>Platinum Jubilee was a success and learning and debriefs have taken place. Ongoing planning continues for LMS 2022, LM banquet and Operation London Bridge as well as non CoLC high Risk events such as XR September 2022. All identified high risk events go through SSB for appropriate command structures.</p> <p>With current Chief Officer movements, new training and accreditation is and will take place around Gold command to ensure resilience.</p>			
CR36d Prevent	Prevent	<p>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</p>	Valeria Cadena	05-Sep-2022	01-Jan-2024
CR36f City of London Corporation Buildings	Protect	<p>This was the main focus of the original security risk CR34 – that was closed however situational update provided, as this is now encompassed into this new risk CR36 and is continually monitored:</p> <p>In November 2020, the City of London Police produced vulnerability reviews for Guildhall, Tower Bridge, Barbican, & Leadenhall Market. Streams of work have taken place that have addressed all the identified vulnerabilities (e.g., Barbican Protect Project, the introduction of the Leadenhall security team). A second round of review has been requested to continue the improvement cycle.</p> <p>The City of London Police have extended the NaCTSO Protective Security Improvement Action plan process to the CCC. This process now takes in the Barbican, Guildhall, CCC, Tower Bridge and these sites have improved their protective security scoring against this matrix.</p> <p>ISS, our corporate security partner, produce vulnerability reports for IPG and CPG sites at which</p>	Simon Causer	05-Sep-2022	01-Jan-2024

		they operate. This has been a rolling programme of improvement since 2019.			
		This continues to be monitored at SSB.			

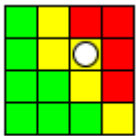
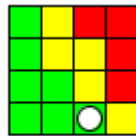
		implementation continues Due to clearview change over to new business castellan implementation and roll out as we continue to update the system and work with depts to pilot the new system roll out has now moved to end of 2022			
CR01M Review of LALO Local authority liaison officer	process, training, call out process to strengthen the City capability and resilience in responding to major incident and complying with the wider London boroughs standardisation programme	<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 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 & 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 No further update as organisation changes take place we will monitor staff available for this capability</p>	Gary Locker	05-Sep-2022	31-Dec-2022
CR01N Standardisation procedures	to increase City capability and resilience in also supporting wider London boroughs during major incident response, Local Emergency Control Centres, Emergency centres as part of a wider humanitarian	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 process continues as organisation changes continue	Gary Locker	05-Sep-2022	31-Dec-2022
CR01Q Rolling DR tests	Plan an annual calendar of IT DR tests, covering critical systems and services	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.	Matt Gosden	05-Sep-2022	30-Sep-2022

		<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>			
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Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Flight path
CR21 Air Quality 07-Oct-2015 Ruth Calderwood Page 61	Cause: Levels of air pollution in the City, specifically nitrogen dioxide and fine particles, impact on the health of residents, workers and visitors. The City Corporation has a statutory duty to take action to improve local air quality. Event: The City of London Corporation is insufficiently proactive and resourced, and does not have the right level of competent staff, to be able to fulfil statutory obligations, as a minimum, in order to lower levels of air pollution and reduce the impact of existing air pollution on the health of residents, workers and visitors. Effect: The City Corporation does not fulfil statutory obligations and air pollution remains a problem, impacting on health. Potential for legal action against the Corporation for failure to deliver obligations and protect health. Adverse effect on ability to deliver outcomes 2 and 11 of the Corporate Plan	 Likelihood Impact	12	The risk remains unchanged. Defra has consulted on a new target for PM2.5. Consultation comments have been submitted supporting the proposed target but moving the compliance date from 2040 to 2030. The new target should be announced shortly 30 Aug 2022	 Likelihood Impact	6	31-Dec-2024	
							Reduce	

Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR21 001h Publish annual report of air quality data	Develop baseline model for compliance assessment and publish annual report of air quality data	The 2021 annual status report has been submitted to, and approved by, Defra and the GLA and will be presented to October PHES committee	Ruth Calderwood	16-Sep-2022	31-Dec-2025
CR21 001i Compliant vehicles	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	30-Aug-2022	31-Dec-2025
CR21 001j Develop Private	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.	Ruth Calderwood	30-Aug-2022	31-Dec-2022

Members Bill					
CR211 Compliance with NO2 target	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 Calderwo od	30-Aug-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	Flight path
CR30 Climate Action Oct-2019 Damian Barradell	Cause: Insufficient resources and prioritisation allocated to Climate Action. Event: The City Corporation fails to reduce and mitigate the impact and effect of climate change. PHASE 2: DELIVER AND REFINE ACTION PLAN – To be addressed in completion of phase 1. Impact: As the governing body of the Square Mile dedicated to the City, there are a range of potential impacts including: <ul style="list-style-type: none"> • failing to deliver on the net zero targets in our Climate Action Strategy • reducing our ability to effectively reduce carbon emissions in the next two carbon budget periods (2022 and 2027) • damaging the City's credibility in Green Finance and Insurance markets; • reducing our ability to champion sustainable growth globally and enhance the relevance and reputation of the Square Mile • failing to adequately invest in climate resilience measures leading to negative impacts on social, economic and environmental outcomes • failing to adequately invest in net zero initiatives leading to negative impact on our financial and property investments 	Likelihood  Impact	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 14 Jun 2022	Likelihood  Impact	4	31-Mar-2027	
							Reduce	

Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR30k Impact on City	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 Nussbau	14-Jun-2022	31-Mar-2027

financial and ability to champion sustainable growth of not hitting net zero targets / maintaining resilience			m		
CR30I Risk of not hitting net zero and resilience targets for City Corporation operational and investment assets, whilst maximising returns	Deliver programme of works across operational and investment portfolios	<p>13 of the top 15 emitting buildings and 62 of 143 investment properties across our corporate 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</p>	Paul Wilkinso n	14-Jun-2022	31-Mar-2027

		includes introduction of behavioural management programme in buildings and the implementation and potential expansion of the Power Purchase Agreement (PPA)			
CR30m Risk of not hitting net zero targets for financial investments and supply chain	Monitor and drive performance against net zero and financial targets for financial investments and supply chain, continually refreshing learning	<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> <ul style="list-style-type: none"> * Implementation of the Carbon Net Zero Procurement Plan; FY 2022 – 2024 * Working with our supply chain to embed Climate Action KPIs into the supply chain through focus on the most impactful contracts. * Focusing on the most impactful contracts, migrate away from proxy values to track carbon performance more accurately. * Developing low carbon, green and circular criteria, and standards to help decouple carbon from spend. <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> <ul style="list-style-type: none"> * Formulating and implementing plan to address financial physical and transition risks within the upcoming strategic asset allocation process. * Working with fund managers to ensure robust risk management on the portfolio and timely disclosures. * Annual reporting to external stakeholders via second TCFD Submission by November 2022 and PRI by March 2023. <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>	Caroline Al-Beyerty	14-Jun-2022	31-Mar-2027

CR30n Resilience risks of Square Mile infrastructure and public realm and risk of not hitting net zero targets for developments and transport	Monitor and drive performance against net zero and resilience targets, continually refreshing learning	<p>Cool Streets & 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 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.</p>	Juliemma McLoughlin	14-Jun-2022	31-Mar-2027
CR30o Reaching carbon removal targets through open spaces	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	Dedicated stakeholder engagement lead built into PMO function. Stakeholder engagement plan	Damian	14-Jun-2022	31-Mar-2027

Delivery delays and failures due to stakeholder / public action / inaction	with our stakeholders and partners (phase 3 of engagement plan) and quality assure engagement for projects	approved at May Policy & Resources Committee. Detailed stakeholder engagement plan socialised with principal members and officers for approval	Nussbaum		
CR30q Protecting vulnerable groups who are most likely to be impacted by climate change and fulfilling Public Sector Equalities Duty	Carry out impact assessments and equalities analysis on projects and stakeholder research and use their findings to shape future engagement and delivery	Subject to continuous assessment within implementation plans. 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 That the scope, budget, timescales, targets and/or commitments of the climate action strategy are not delivered upon through the climate action programme of work	Agree to and implement appropriate governance to embed Climate Action in departmental scrutiny. Ensure appropriate capacity and capabilities are in place including for regular KPI progress reporting via the CPF. Ensure mechanisms in place for releasing staged financing. Set up regular tracking of impact of our actions on targets.	<p>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 CO₂e (Carbon Dioxide 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 & 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>	Damian Nussbaum	14-Jun-2022	31-Mar-2027

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Summary of Corporate Risks

Report Type: Risks Report










Report Author: Tabitha Swann

Generated on: 09 November 2022



Rows are sorted by Risk Score

Risk reference	Creation Date	Title	Current Risk Score	Current risk score icon	Trend Icon	Risk flight path (last 12 assessments)
CR16	10-May-2019	Information Security (formerly CHB IT 030)	24			
CR35	19-Jun-2020	Unsustainable Medium Term Finances - City Fund	24			
CR38	31-Oct-2022	Unsustainable Medium Term Finances - City's Cash	24			
CR36	10-Jan-2022	Protective Security	16			
CR37	04-Nov-2019	Maintenance and renewal of Physical Assets- Investment property and Corporate (operational) property (excluding housing assets)	16			
CR01	20-Mar-2015	Resilience Risk	12			
CR02	22-Sep-2014	Loss of Business Support for the City	12			
CR10	22-Sep-2014	Adverse Political Developments	12			
CR21	07-Oct-2015	Air Quality	12			
CR29	08-Apr-2019	Information Management	12			
CR30	07-Oct-2019	Climate Action	12			

Risk reference	Creation Date	Title	Current Risk Score	Current risk score icon	Trend Icon	Risk flight path (last 12 assessments)
CR33	14-Feb-2020	Major Capital Schemes	12			
CR09	22-Sep-2014	Health Safety and Wellbeing Risk (Management System)	8			
CR17	22-Sep-2014	Safeguarding	8			

CR 35 and CR38 - detailed report EXCLUDING COMPLETED ACTIONS

Report Author: Tabitha Swann

Generated on: 10 November 2022



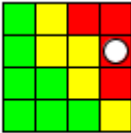
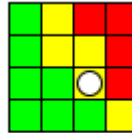

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
CR35 Unsustainable Medium Term Financials - City Fund 2020-71	<p>Causes: High inflation – Office for Budget Responsibility forecasting peak in Autumn 2022. Construction inflation running at 20%. 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>Event: 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. Inability to contain construction inflation or inability to rescope capital schemes within budgets.</p> <p>Effects: Additional savings over and above those identified to meet this challenge are required, reserves are utilised and/or services stopped. The City Corporation's reputation is damaged due to</p>	<p>Likelihood</p> <p>Impact</p>	24	<p>Retail Price Index rose by 12.6% and Consumer Price Index rose by 10.1% in 12 months to September 2022. Inflation is predicted to fall to 4% in 2023, however increases are feared to be embedded creating pressures on service/departmental 2022/23 budgets and on the Housing Revenue Account.</p> <p>Construction inflation has risen to c20%</p> <p>Pinch points are currently being identified by finance business partners. Mitigations currently include inflation contingencies and tight financial disciplines.</p> <p>Income from investment property and from business rates holding up well. The £30m ringfenced reserve for income loss has not been utilised.</p> <p>The risk score has increased to red.</p>	<p>Likelihood</p> <p>Impact</p>	8	31-Mar-2023	

Page 73 19-Jun-2020 Coline Al-Beyerty	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. Inability to deliver capital programme and major projects within affordability parameters. 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.			Trigger point was reached on capital programme. Policy and Resources Committee has increased the budget on Salisbury Square by £60m, however £57m of that is allocated to City’s Cash as relates to the Courts element. Resource Allocation Sub Committee is currently reprioritising the BAU capital programme. The CWP programme is being considered under the Operational Property review with recommendations to Operational Property and Projects Sub Committee. Regular monitoring of inflationary pressures, with Quarterly reporting of inflation against contingencies held. 04 Nov 2022				
							Accept	Constant

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR35a	<p>Impact of inflation</p> <ul style="list-style-type: none"> • Rising inflationary pressures on energy costs • Rising inflationary pressures on construction and labour costs 	<p>1) Inflation contingency held: 3% 22/23 additional sums allocated from 21/22 underspends 23/24 includes 4% inflation increase within departments and 2% efficiency saving;</p> <p>2) CF - £3m contingency ringfenced for construction inflation under Major Projects reserve.</p> <p>The MTFP assumptions will be reviewed as part of 2023/24 budget setting. Some mitigations provided with increased income from cash balances.</p>	Sonia Virdee	04-Nov-2022	31-Mar-2023
CR35b	<ul style="list-style-type: none"> • Capital schemes are forecast to exceed budget. Reprioritisation of the schemes within envelope is needed and latest position will be reported to Resource Allocation 	<p>Capital schemes are forecast to exceed budget. Reprioritisation of the schemes within envelope is needed and latest position will be reported to Resource Allocation Sub Committee for approval in November 2022 following discussion with Chairmen.</p>	Mark Jarvis; Paul Murtagh	04-Nov-2022	31-Mar-2023

	<p>Sub Committee for approval in November 2022 following discussion with Chairmen.</p> <ul style="list-style-type: none"> • Review of HRA commissioned and due to report at the end of November 2022. • Alternative sources of funding for Fire Safety Works element of Major Works Programme to enable HRA to remain in surplus. • Need to monitor identified expenditure risks around recovery of leaseholder contributions following the decision not to allow the Appeal of the Great Arthur Cladding case. • Housing 30 year financial projects have been completed. 	<p>Review of HRA commissioned and due to report at the end of November 2022. Housing 30 year financial projects have been completed.</p> <p>Alternative sources of funding for Fire Safety Works have been agreed.</p> <p>Need to monitor identified expenditure risks around recovery of leaseholder contributions following the decision not to allow the Appeal of the Great Arthur Cladding case.</p>			
CR35c	<p>£400m cost pressure identified for the major projects across City Fund and City's Cash. Reprioritisation required and periodic monitoring.</p>	<p>Policy and Resources reprioritised ambitions at its October meeting to remain within the affordability envelope.</p> <p>Resource Allocation Sub Committee currently considering action needed to ensure the capex programme remains within budget or headroom can be found from ring fenced funds.</p> <p>Capital Buildings Committee monitoring delivery within the revised budget envelopes.</p> <p>Periodic reporting on capital position to Finance Committee – next report to December Finance Committee.</p>	Sonia Virdee	04-Nov-2022	31-Mar-2023
CR35d	<p>Reduction in business rates, E.g. through reduction in occupancy or ability to pay.</p>	<ul style="list-style-type: none"> • Monthly monitoring in place. The 2022/23 collection rate figure for Q2 is 56.22% which is significantly up on the same point last year which was at 50.69%. Improved collection has been assisted by the award of the CARF scheme. • The COVID Additional Restriction Relief scheme (CARF) has been provided to 11,500 businesses. This resulted in a 20% reduction to business rates bills for 21/22 and represents a total of £60m in relief. • Collection fund deficit to be factored into the MTFP. • There has been an increase in the amount of empty property resulting in more relief being claimed. • 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. • Impacts will continue to be monitored. 	Phil Black	04-Nov-2022	31-Mar-2023
CR35e	<p>A reduction in key income streams and increase in bad Debt</p>	<p>This is being monitored monthly, with action being taken to reduce spend where possible.</p>	Phil Black; Sonia	04-Nov-2022	31-Mar-2023

	<p><i>Triggers:</i> <i>Increase in loss of property investment portfolio income over £5m p.a.</i></p>	<p>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</p> <p>Sums to mitigate risk are being held in Reserves - £30m in City Find.</p> <p>Outstanding sums are reducing across all Income Streams with significant improvement in Investment Property, Business Rates and Council Tax. Council Tax income is now above pre-pandemic levels and Investment Property.</p>	Virdee		
CR35f	Achievement of current Savings Programme – includes flight path savings (Fundamental Review) and securing permanent year on year savings (12%).	<p>Biggest risk relates to Police - £13m p.a. cumulative sustainable savings included in MTFP. There is a risk to delivering elements of these savings plan and sustaining the 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). Star chamber led by the Chamberlain and Town Clerk are currently taking place to ensure departments are achieving savings. This is further supported by Member led bilateral meetings with service committee chairmen for departments that have not achieved year on year permanent savings.</p>	Alistair Cook; Sonia Virdee	04-Nov-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
CR38 Unsustainable Medium Term Finances - City's Cash	<p>Causes: High inflation –Office for Budget Responsibility forecasting peak in Autumn 2022. Construction inflation running at 20%. Contraction in key income streams and increase in bad debts following post pandemic change in working practices.</p> <p>Event: Inability to contain financial pressures within year (2022/23) and compensatory savings and/or income generation not realised requiring further draw down on Reserves. Inability to contain construction inflation or inability to rescope capital schemes within budgets.</p> <p>Effects: Additional savings over and above those identified 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. Inability to deliver capital programme and major projects within affordability parameters. 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>	<p>Likelihood</p>  <p>Impact</p>	24	<p>Retail Price Index rose by 12.6% and Consumer Price Index rose by 10.1% in 12 months to September 2022. Inflation is predicted to fall to 4% in 2023, however increases are feared to be embedded creating pressures on service/departmental 2022/23 budgets.</p> <p>Construction inflation has risen to c20%</p> <p>Pinch points are currently being identified by finance business partners. Mitigations currently include inflation contingencies and tight financial disciplines.</p> <p>Income from investment property has slightly fallen however plans are in place to bring this back to budget.</p> <p>The risk score has increased to red.</p> <p>Trigger point was reached on capital programme.</p> <p>Policy and Resources Committee has reprioritised the major projects; and rescope the Markets project.</p> <p>Resource Allocation Sub Committee is currently reprioritising the BAU capital programme.</p> <p>The CWP programme is being considered under the Operational Property review with</p>	<p>Likelihood</p>  <p>Impact</p>	8	31-Mar-2023	

31-Oct-2022 Caroline Al-Beyerty				recommendations to Operational Property and Projects Sub Committee. Regular monitoring of inflationary pressures, with Quarterly reporting of inflation against contingencies held. 04 Nov 2022			Reduce	Constant
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Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR38a	Impact of inflation <ul style="list-style-type: none"> • Rising inflationary pressures on energy costs • Rising inflationary pressures on construction and labour costs 	The five year financial plan is currently being reworked for 2023/24 budget cycle: 1) Inflation contingency held: 3% 22/23 additional sums allocated from 21/22 underspends 23/24 includes 4% inflation increase within departments and 2% efficiency saving; 2) £1m contingency ringfenced for construction inflation under capital programme.	Sonia Virdee	04-Nov-2022	31-Mar-2023
CR38b	Impact of construction inflation on capital programme: <ul style="list-style-type: none"> • Major projects • Business as usual capital programme 	£400m cost pressure identified for the major projects across City Fund and City's Cash. Policy and Resources reprioritised ambitions at its October meeting to remain within the affordability envelope. Resource Allocation Sub Committee currently considering action needed to ensure the capex programme remains within budget or headroom can be found from ring fenced funds. Capital Buildings Committee monitoring delivery within the revised budget envelopes Periodic reporting on capital position to Finance Committee.	Sonia Virdee	04-Nov-2022	31-Mar-2023
CR38e	A reduction in key income streams and increase in bad Debt <i>Triggers:</i> <i>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. Outstanding sums are reducing across all Income Streams with significant improvement in Investment Property, Business Rates and Council Tax. Council Tax income is now above pre-pandemic levels and Investment Property.	Phil Black; Sonia Virdee	04-Nov-2022	31-Mar-2023

CR38f	Achievement of current Savings Programme – includes flight path savings (Fundamental Review) and securing permanent year on year savings (12%).	Star chambers led by the Chamberlain and Town Clerk are currently taking place to ensure departments are achieving savings. This is further supported by Member led bilateral meetings with service committee chairmen for departments that have not achieved year on year permanent savings.	Sonia Virdee	04-Nov-2022	31-Mar-2023
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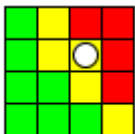
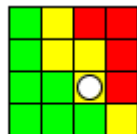

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CR35 - detailed report excluding completed actions as at 02 Sept 2022

Report Author: Tabitha Swann

Generated on: 02 September 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
CR35 Sustainable Medium Term Finances Page 79	<p>Causes: 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>Event: 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>Effects: Additional savings over and above those identified through the Fundamental Review to meet this challenge are required, reserves are utilised and/or services stopped.</p> <p>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.</p>	 <p>Likelihood</p> <p>Impact</p>	12	<p>Retail Price Index rose by 11.7% and Consumer Price Index rose by 7.9% in 12 months to May 2022 (up by 2.7% and 0.9% respectively since 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 now include bolstering inflation contingencies from carry forwards and tight financial disciplines. Further mitigations were 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>Likelihood</p> <p>Impact</p>	8	31-Mar-2023	

19-Jun-2020 Caroline Al-Beyerty	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.			The risk score is being maintained at amber 12, although the trajectory of risk is increasing. No trigger points reached. Further mitigations: Review capital programmes and major commitments; operational property review (surplus/ageing assets), including options for cyclical works programme; untapped income generation. 31 Aug 2022			Accept	Constant
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Page 80

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR35d	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 • Change to business rate reset (further deferral will result in a positive impact). • Shift from commercial to residential. • Reduction in Rateable Value (the risk is minimal). • Changes to methodology in business rate calculations.	<ul style="list-style-type: none"> • 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%). • The COVID Additional Restriction Relief scheme (CARF) will provide approximately £64m relief to business rate bills. • Collection fund deficit to be factored into the MTFP. • There has been an increase in the amount of empty property resulting in more relief being claimed. • 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. • Impacts will continue to be monitored. 	Phil Black	31-Aug-2022	31-Mar-2023
CR35e	A reduction in key income streams and increase in bad Debt <i>Triggers:</i> <i>Increase in loss of property investment portfolio income over £5m p.a.</i>	<p>This is being monitored monthly, with action being taken to reduce spend where possible.</p> <p>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</p>	Sonia Virdee	31-Aug-2022	31-Mar-2023

		<p>potential issues. The mortarium against legal action for recovery has now lifted.</p> <p>Sums to mitigate risk are being held in Reserves - £30m in City Fund.</p>			
CR35i	<p>Impact on the HRA</p> <ul style="list-style-type: none"> • Rising inflationary pressures in construction costs outstripping rental increases • Delays in residential units coming on stream delaying income • Increasing bad debt / long term reduction in commercial rent • Expenditure risks around recovery of leaseholder contributions following Great Arthur house cladding case • Inability to fund future major works programme. 	<ul style="list-style-type: none"> • Update report on latest projections for HRA went to CCS and RASC in July. • Option in the report for use of alternative sources of funding for Fire Safety Works element of Major Works Programme to enable HRA to remain in surplus was agreed. • Need to monitor identified expenditure risks around recovery of leaseholder contributions following the decision not to allow the Appeal of the Great Arthur Cladding case. Overall cost of major works programme will be updated as part of the corporate Capital Review process. • Housing 30 year Financial projections included in the July report. • External review of cost base and opportunities for savings through changes in ways of operating the HRA is expected to report in November. 	Mark Jarvis; Paul Murtagh	31-Aug-2022	31-Mar-2023
CR35j	<p>Impact of inflation</p> <ul style="list-style-type: none"> • Rising inflationary pressures on energy costs • Rising inflationary pressures on construction and labour costs 	<p>The MTFP approved on 10th March 2022 included the following mitigations:</p> <ul style="list-style-type: none"> • Inflation contingency held: 3% 22/23 and 1% 23/24 (23/24 includes 2% inflation increase within departments); • CF - £3m contingency ringfenced for construction inflation under Major Projects reserve. • CC - £1m contingency ringfenced for construction inflation under capital programme. • 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 partners, in liaison with departmental management teams. <p>Mitigations were discussed at Resource Allocation Sub Committee Away Day, furthermore top up of contingencies from 2021/22 underspends have now been agreed.</p>	Sonia Virdee	31-Aug-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. So far numbers coming to the attention of services has been low and any related costs have been contained within existing budgets.	Sonia Virdee	31-Aug-2022	31-Mar-2023
CR35l	Achievement of current Savings Programme – includes flight path savings (Fundamental Review) and securing permanent year on year savings (12%).	<p>Biggest risk relates to Police - £13m p.a. cumulative sustainable savings included in MTFP. To date much has been met with one -off savings.</p> <p>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).</p>	Alistair Cook; Sonia Virdee	31-Aug-2022	31-Mar-2023

		Star chamber led by the Chamberlain and Town Clerk are being planned over the summer to ensure departments are achieving savings. This is further supported by Member led bilateral meetings with service areas for departments that have not achieved year on year permanent savings.			
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Top red risks only - short summary by department

Report Type: Risks Report

Report Author: Tabitha Swann

Generated on: 10 November 2022















Rows are sorted by Risk Score

Department Description Barbican Centre

Department Description: Barbican Centre 8




Code	Title	Risk owner	Current Impact	Current Likelihood	Current Risk Score	Current score	Latest Note Date	Target Impact	Target Likelihood	Target Risk Score	Target score	Target Date	Risk Approach	Flight Path
BBC Arts 023	Failure to Manage EDI Correctly	Jonathon Poyner	4	4	16		24 Oct 2022	2	4	8		31-Dec-2023	Reduce	
BBC Arts 027	Impact of Economic Factors on Our Business (Supply and Demand)	Will Gompertz; Sarah Wall	4	4	16		24 Oct 2022	2	4	8		30-Apr-2023	Reduce	
BBC Buildgs 018	Failure to Secure Sufficient Funds for Barbican Renewal	Jonathon Poyner	4	4	16		24 Oct 2022	4	2	8		31-Mar-2025	Reduce	
BBC Buildgs 025	Inadequate and Inappropriate Levels of Engineering Resource	Jonathon Poyner	4	4	16		24 Oct 2022	4	1	4		30-Apr-2023	Reduce	

Code	Title	Risk owner	Current Impact	Current Likelihood	Current Risk Score	Current score	Latest Note Date	Target Impact	Target Likelihood	Target Risk Score	Target score	Target Date	Risk Approach	Flight Path
BBC CL 002	Safeguarding	Claire Spencer	4	4	16		24 Oct 2022	4	1	4		31-Mar-2023	Reduce	
BBC Finance 008	Shortage of Staff in Key Areas of the Business	Sarah Wall	4	4	16		24 Oct 2022	4	2	8		30-Apr-2023	Reduce	
BBC H&S 002	Failure to deal with Emergency /Major Incident or Risk of Terrorism	Jonathon Poyner	8	2	16		24 Oct 2022	8	1	8		31-Mar-2023	Reduce	
BBC H&S 005	Failure to Deliver the Fire-Related Projects	Jonathon Poyner	8	2	16		24 Oct 2022	2	1	2		31-Dec-2022	Reduce	

Page 84




Department Description Chief Operating Officer

Department Description: Chief Operating Officer 1

Code	Title	Risk owner	Current Impact	Current Likelihood	Current Risk Score	Current score	Latest Note Date	Target Impact	Target Likelihood	Target Risk Score	Target score	Target Date	Risk Approach	Flight Path
COO-MKT-WM 004	Wholesale Markets – Traffic Management	Ben Milligan	4	4	16		03 Nov 2022	4	2	8		30-Nov-2022	Reduce	




Department Description City of London Freeman's School

Department Description: City of London Freeman's School 1

Code	Title	Risk owner	Current Impact	Current Likelihood	Current Risk Score	Current score	Latest Note Date	Target Impact	Target Likelihood	Target Risk Score	Target score	Target Date	Risk Approach	Flight Path
CLF-016	Financial Sustainability	Roland Martin	4	4	16		06 Nov 2022	2	2	4		31-Aug-2025	Reduce	







Department Description City of London School




Department Description: City of London School 1

Code	Title	Risk owner	Current Impact	Current Likelihood	Current Risk Score	Current score	Latest Note Date	Target Impact	Target Likelihood	Target Risk Score	Target score	Target Date	Risk Approach	Flight Path
CLS-OPS-001	Cyber security	Alice Martineau; Adam Zivanic	8	3	24		26 Sep 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	Risk owner	Current Impact	Current Likelihood	Current Risk Score	Current score	Latest Note Date	Target Impact	Target Likelihood	Target Risk Score	Target score	Target Date	Risk Approach	Flight Path
CLSG-01	Inadequate finances or financial plans (SA5-Operations)	John Hall; Ena Harrop	4	4	16		26 Sep 2022	4	2	8		31-Aug-2022	Reduce	
CLSG-03	Failure to recruit and retain high quality teaching and support staff	John Hall; Ena Harrop; Justine	4	4	16		26 Sep 2022	2	2	4		31-Dec-2021	Reduce	

Code	Title	Risk owner	Current Impact	Current Likelihood	Current Risk Score	Current score	Latest Note Date	Target Impact	Target Likelihood	Target Risk Score	Target score	Target Date	Risk Approach	Flight Path
	(SA4–People)	Venditti												
CLSG-04	Failure of child protection procedures (SA3–Pastoral)	Susie Gilham	8	2	16		11 Jul 2022	4	2	8		31-Dec-2022	Reduce	

Department Description City Surveyor's










Department Description: City Surveyor's 4

Code	Title	Risk owner	Current Impact	Current Likelihood	Current Risk Score	Current score	Latest Note Date	Target Impact	Target Likelihood	Target Risk Score	Target score	Target Date	Risk Approach	Flight Path
SUR SMT 005	Construction Price Inflation	Ola Obadara	4	4	16		20 Oct 2022	2	3	6		31-Mar-2023	Reduce	
SUR SMT 006	Construction Consultancy Management	Ola Obadara	4	4	16		20 Oct 2022	4	1	4		31-Mar-2023	Reduce	
SUR SMT 007	Energy Pricing	Peter Collinson	4	4	16		20 Oct 2022	1	3	3		31-Mar-2023	Reduce	
SUR SMT 009	Recruitment and retention of property professionals		4	4	16		20 Oct 2022	2	2	4		31-Mar-2023	Reduce	

Department Description Environment

Department Description: Environment 3










Code	Title	Risk owner	Current Impact	Current Likelihood	Current Risk Score	Current score	Latest Note Date	Target Impact	Target Likelihood	Target Risk Score	Target score	Target Date	Risk Approach	Flight Path
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Code	Title	Risk owner	Current Impact	Current Likelihood	Current Risk Score	Current score	Latest Note Date	Target Impact	Target Likelihood	Target Risk Score	Target score	Target Date	Risk Approach	Flight Path
ENV-CO-TR 001 (Formerly CR20)	Road Safety	Ian Hughes; Bruce McVean	8	3	24		22 Sep 2022	8	2	16		31-Mar-2027	Reduce	
ENV-PHPP 001	Brexit – Impact on Port Health and Animal Health	Gavin Stedman	8	3	24		02 Sep 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	Joe Kingston	8	2	16		24 Oct 2022	8	1	8		31-Dec-2022	Reduce	

Page 8

Department Description Guildhall School of Music and Drama

Department Description: Guildhall School of Music and Drama 3

Code	Title	Risk owner	Current Impact	Current Likelihood	Current Risk Score	Current score	Latest Note Date	Target Impact	Target Likelihood	Target Risk Score	Target score	Target Date	Risk Approach	Flight Path
GSMD DDP 002	Reduced Recruitment and Retention of Key Staff	Lynne Williams	4	4	16		21 Oct 2022	2	2	4		31-Mar-2022	Reduce	
GSMD SUS 001	Inability to Invest in Infrastructure and teaching spaces	Jonathan Vaughan	4	4	16		16 Sep 2022	2	3	6		31-Mar-2023	Reduce	
GSMD SUS 002	Inability to deliver a balanced and sustainable model over the School's	Graeme Hood; Jonathan	4	4	16		22 Sep 2022	2	2	4		31-Mar-2023	Reduce	

Code	Title	Risk owner	Current Impact	Current Likelihood	Current Risk Score	Current score	Latest Note Date	Target Impact	Target Likelihood	Target Risk Score	Target score	Target Date	Risk Approach	Flight Path
	Business Cycle	Vaughan												

Committee(s)	Dated:
Audit and Risk Management Committee	22/11/2022
Subject: Corporate Risk – Deep Dive Review: CR17 Safeguarding	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	N/A
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain’s Department?	N/A
Report of: Head of Internal Audit	For Discussion
Report author: Matt Lock	

Summary

Internal Audit has undertaken a deep dive review in relation to CR17 Safeguarding. The objective of the deep dive review is to review the effectiveness of the arrangements in place for the systematic management of Corporate Risk.

The review found that:

- While risk register updates are completed frequently, as is required in practice for Corporate Risks and ensuring currency of information, there is limited ability to monitor and measure the effectiveness of actions to mitigate the risk. It would be useful to see:
 - More explicit linkage between the mitigation actions in the register and the key components of the corporate risk, ensuring that all key aspects of the risk cause are addressed.
 - Inclusion of information on how the impact and effectiveness of the actions is evaluated.
- 2nd line of defence activity to mitigate the corporate safeguarding risk is not operating effectively.

The responsible officers engaged fully with this process, resulting in a transparent and full exchange of information, the findings of the deep dive review have been shared and it is anticipated that this will inform subsequent management review accordingly.

Recommendation(s)

Members are asked to note the report.

Main Report

Background

1. Deep-dive reviews of the City of London Corporation's Corporate Risks are undertaken by Internal Audit and reported to this Committee. The reports prepared 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

2. The deep dive report 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
3. This report is focussed on Corporate Risk CR17 Safeguarding, the latest Risk Register extract is shown as Appendix 1.

CR29 Information Management

Area of Testing	Audit Findings
Risk Register Maintenance	<ul style="list-style-type: none">▪ All key information fields are populated and have been updated when each review takes place.▪ The risk register has been updated frequently, 6 times in the past 10 months, which meets the requirements of the Risk Management Framework and is considered sufficiently frequent to ensure that Chief Officers are presented with timely information, although noted that the updates do not always provide additional or new information.
Completed Mitigating Actions	<ul style="list-style-type: none">▪ A number of mitigating actions are noted as complete, Audit testing verified this to be accurate.▪ While actions have been completed, there is no measure of their effectiveness and completion has resulted in no positive impact on the assessed overall level of risk; there is no reduction in likelihood or impact scoring.
Proposed Mitigating Actions	<p>There are currently 6 stated mitigating actions, of which Internal Audit examined 3, the following observations were made:</p> <ul style="list-style-type: none">▪ Mitigating actions are generally ongoing activity, these do not have specific deliverables/outcomes or timescales for completion. It will be difficult, therefore, to assess and monitor the effectiveness of the proposed actions.▪ Operation of a corporate wide network of Safeguarding Champions is identified as a key component to managing this

	risk, Internal Audit considers this network to be in its infancy and so is not as effective as the reader of the risk register may assume.
Monitoring Arrangements	Monitoring arrangements in place in relation to Education and Social Care are generally considered to be robust, although this is attributable to these services being within the direct remit of the Executive Director of Community and Children's Services. Internal Audit is unable to provide assurance that the mechanism in place for maintaining oversight of safeguarding for all other operations of the City of London Corporation is operating effectively.
General Observations and Overall Commentary	The key area of concern here is less about the inherent risk of safeguarding incidents, more in relation to the effectiveness of the City of London's overall system for governance and oversight. Internal Audit is unable to provide assurance that current arrangements are effective to provide the Executive Director of Community and Children's Services with all that they need to be able to meet their remit as designated lead officer.

Corporate & Strategic Implications

- 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

- In the case of CR17, the deep dive review has identified that, while arrangements in place in relation to the core statutory responsibilities (i.e. Education and Social Care) are sufficient to ensure effective corporate oversight, there is some concern as to the effectiveness of arrangements for governance and oversight across other operations of the City Corporation. Important to note that the issues raised do not necessarily mean that the City Corporation is exposed to increased risk of a safeguarding incident, more a case that the effectiveness of a response would likely be undermined: the strategy for mitigating the corporate safeguarding risk is reliant on second line of defence activity, this is not currently effective.

Appendices

- Appendix 1: Risk Register Extract – CR17 Safeguarding**

Matt Lock

Head of Internal Audit, Chamberlain's Department

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Page 93

1

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	02-Nov-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	02-Nov-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	02-Nov-2022	31-Mar-2023
CR17ae	A Corporate safeguarding audit has been undertaken. recommendations will be reflected in this risk and associated actions.	The outcome of the audit is awaited, the recommendations from this audit and resulting actions will be reflected in this risk to ensure the Corporate Safeguarding response is robust, monitored and reported on.	Chris Pelham	02-Nov-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.	<p>The network of Safeguarding Champions to fully embed safeguarding responsibilities across the organisation has been relaunched. Some of the existing champions have moved on or no longer perform this role. Chief Officers have been asked to nominate a Safeguarding Champion for their departments.</p> <p>The first Safeguarding Champions meeting took place in December 2021. There was good engagement from range of Departments. It was intended that the group would meet bi-annually but departmental restructures resulting from the TOM has meant that there have been changes to departmental structures and teams. Executive Directors have been requested to provide details of their safeguarding champions and assurance work undertaken, by 30 November 2022. The safeguarding champion's role is to ensure that any new guidance regarding safeguarding is shared with their department.</p>	Andrew Carter	02-Nov-2022	31-Mar-2023

Committee: Financial Investment Board Audit and Risk Management	Dated: 21 October 2022 22 November 2022
Subject: Treasury Management Outturn 2021/22	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	All
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	£N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: The Chamberlain	For Discussion/ Information
Report author: Kate Limna – Chamberlain's Department	

Summary

The Treasury Management Strategy Statement for 2021/22 was approved by the Financial Investment Board and the Finance Committee in February 2021 and by the Court of Common Council on 4 March 2021.

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

- As at 31 March 2022, the City had treasury balances totalling some £1,226.0m. The majority of these balances are held for payment to third parties or are restricted reserves.
- Cash balances increased by £278.9m over the course of the year, which is largely due to the second tranche of the private placement debt being received, pending capital spend.
- City's Cash received the second tranche of £200m of its private placement debt in July 2021.
- Short term investment returns were very low for most of the year although between December and March, the Bank of England increased the base rate in successive move to 0.75%.
- The investment of funds during the year conformed to the approved strategy and there were no liquidity difficulties or breaches of the approved creditworthiness policy.
- The treasury management strategy remained the same throughout 2022/23.
- In November 2020, HM Treasury revised its requirements for new borrowers using the Public Works Loan Board (PWLB facility), effectively removing the ability of local authorities to borrow for commercial yield. At the same time PWLB reduced the margin added to gilt yields used to price new loans by 100 basis points.

Recommendation

Members are asked to note the report.

Main Report

Introduction

1. The City of London Corporation (the City) is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and treasury indicators for 2021/22. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).
2. The Treasury Management Strategy Statement (TMSS) for 2021/22 was approved by the Financial Investment Board (9 February 2021), Finance Committee (16 February 2021) and the Court of Common Council (4 March 2021). During 2021/22 the Financial Investment Board received investment analysis reports at each Board meeting.

Overall Treasury Position as at 31 March 2022

3. The City's treasury position at the start and end of 2021/22 was as follows:

Table 1	31 March 2021			31 March 2022		
	Principal	Rate of Return	Average Life	Principal	Rate of Return	Average Life
	£m	%	Years	£m	%	Years
Fixed rate funding						
- PWLB	0			0		
- Market	0			0		
	0			0		
Variable rate funding						
- PWLB	0			0		
- Market	(250.0)			(450.0)		
	(250.0)			(450.0)		
Total debt	(250.0)			(450.0)		
Total investments	947.1	1.47	0.38	1,226.0	0.08 *	0.39
Net Investments	697.1			776.0		

* This rate of return includes the short dated bond funds. The rate of return excluding the short dated bond funds was 0.5%. This was reported to Members at the May Board meeting.

Table 1 demonstrates that short term investments increased from £947.1m as at 31 March 2021 to £1,226.0m as at 31 March 2022, which is largely due to second tranche of the private placement borrowing being received in July 2021. The rate of return refers to the weighted average return of the portfolio as at the balance sheet date, rather than income earned in the period (which is discussed further at paragraph 16). The overall rate of return as at 31 March 2022 was lower than a year earlier, which is predominantly due to changes in the market value of the City's short dated bond fund investments at each respective date. The weighted average duration, or average life, of the portfolio was largely unchanged from last year at 0.39 years or circa 142days.

The Strategy for 2021/22

4. Investment returns remained low for most of the year. The expectation for interest rates within the treasury management strategy was that the Bank of England's base rate (Bank Rate) would stay at 0.1% throughout 2022 and 2023. In the event whilst the base rate remained unchanged for the first 9 months of the year and then increase to 0.25 in December 2021, 0.50% in February 2022 and 0.75% in March 2022.
5. The UK economy has endured several false dawns through 2021/22, but with most of the economy now opened up and nearly back to business-as-usual, the Monetary Policy Committee (MPC) can focus on tackling the second - round effects of inflation, now that the CPI measure has already risen to 10.1% in the 12 months to July 2022 (its highest level since 1982) with some commentators expecting it to rise to 18% before year end. A major component in the data is the surging prices in food and drink; it takes 6 months for supply prices in food stuffs to filter through to the high street, which suggest households will be paying higher prices in the shops for a while to come.
6. The Corporation's creditworthiness policy was designed to prioritise the security of the Corporation's assets whilst also enabling diversification of risk amongst a range of high quality counterparties. Given the increase in economic uncertainty, the creditworthiness criteria set out in the original strategy was maintained throughout the year.
7. The Corporation maintained sufficient liquidity through the selective use of highly liquid money market funds, cash flow forecasting, and active management of the portfolio's maturity profile.
8. The treasury management function complied with the parameters established in the Treasury Management Strategy Statement 2021/22 for the entirety of the reporting period and the City's treasury cash continues to be invested in a diversified balanced portfolio commensurate with proper and prioritised levels of security and liquidity.
9. The 2021/22 TMSS also included a number of prudential and treasury indicators for the year which are shown in Appendix 1. The City complied with all indicators in 2021/22.

The Borrowing Requirement and Debt

10. The Corporation did not anticipate (but did not rule out) undertaking any new external borrowing during 2021/22 and instead intended to temporarily use cash balances to support capital expenditure as an interim measure. This policy of internal borrowing was prudent as investment returns were very low (and thus there was a cost of carry associated with any new external debt that was not immediately used to fund capital expenditure) and the outlook for interest rates was relatively benign, with only gradual rises in long term borrowing rates expected over the medium term.

11. The majority of local authority borrowing is undertaken via the Public Works Loan Board (PWLB), a government agency. PWLB loans are priced on the basis of prevailing gilt yields plus a margin. As previously reported, the Government increased the margin from its long term position of 80 basis points to 180 basis points in 2019/20 and simultaneously announced a review of the future lending arrangements of the PWLB. These measures were prompted by concerns within Government over the use of PWLB loans to fund commercial investments for yield. On 25 November 2020, the Chancellor announced the conclusion to the review and reversed the earlier 100 basis point increase to the margins whilst simultaneously introducing a prohibition to deny access to borrowing from the PWLB for any local authority which planned to purchase assets for yield in its three year capital programme.
12. No external borrowing was undertaken by the City Fund during the 2021/22, and actual capital expenditure in that year (£130m) was lower than anticipated in the 2021/22 TMSS (£245m). The City Fund's capital financing requirement is expected to increase in the next few years as a result of the planned capital expenditure and it is likely that at least a portion of this borrowing need will be met through internal borrowing. This strategy remains prudent in the current interest rate environment given the City Fund's cash balances. However, the Chamberlain will continue to monitor the outlook for interest rates to ensure the borrowing strategy remains appropriate.
13. City's Cash did not issue any new debt during the year having obtained market debt of £450m in 2019/20. The second and final tranche of that debt of £200m was received in July 2021.
14. Bridge Houses Estates did not enter into any borrowing during the year.

Investment Outturn for 2021/22

15. **Investment Policy** – the City's investment policy is governed by MHCLG guidance on Local Government Investments and the CIPFA Treasury Management Code which has been implemented in the annual investment strategy approved by the Court of Common Council on 4 March 2021. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data (such as rating outlooks, credit default swaps, bank share prices etc.)
16. The income yield on short term investments was 0.5% which compares to 0.75% in 2020/21, and a budgeted assumption of 0.5%. The reduction in income reflects lower returns available from the money markets in 2021/22, largely as a result of ultra -loose monetary policy in place for much of the reporting period.. As yields have risen, the capital value of the portfolio's short dated bond fund investments declined resulting in a negative return of 0.71% for the year (2020/21: +0.67%) As in 2020/21. These movements are debited as an unrealised loss (previously a gain) on investments. Although capital movements are volatile in the short term, the allocation to short dated bond funds is expected to deliver superior returns over the medium term when compared to traditional deposits.

17. Aside from interest earned on deposits, the portfolio is also exposed to gains and losses on the market value of the Corporation's short dated and ultra-short dated bond funds, which are held at fair value. Each of these investments, and in particular the short dated bond funds which have the highest interest rate sensitivity, depreciated in value over the course of the year (bond prices have an inverse relationship with interest rates).
18. The investment activity during the year conformed to the approved strategy, and the City of London had no liquidity difficulties.

Conclusion

19. Treasury management activities over the past financial year were carried out in accordance with the 2021/22 TMSS, which remained unchanged over the course of the year.
20. Money market investment returns, which are heavily determined by central bank activity, have increased as the base rate has increased. There has also been an increase in the dates for fixed term deposits and this is expected to continue as the base rate is expected to rise over the next few months to circa 2.25% by March 2023.

Appendices

Appendix 1 – Treasury Indicators

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Appendix 1

Treasury Indicators

TABLE 1: TREASURY MANAGEMENT INDICATORS	2020/21	2021/22	2021/22
	Actual	Estimate	Actual
	£M	£M	£M
Authorised Limit for external debt (City Fund)-			
Borrowing	£0	£0	£0
other long term liabilities	£13.7	£13.5	£13.5
TOTAL	£13.7	£13.5	£13.5
Operational Boundary for external debt (City Fund) -			
Borrowing	£0	£0	£0
other long term liabilities	£13.7	£13.5	£13.5
TOTAL	£13.7	£13.5	£13.5
Actual external debt	£0	£0	£0
Upper limit for total principal sums invested for over 364 days (per maturity date)	£0m	£500m	£0m

TABLE 2: Maturity structure of fixed rate borrowing during 2019/20	upper limit	lower limit
under 12 months	50%	0%
12 months and within 24 months	50%	0%
24 months and within 5 years	50%	0%
5 years and within 10 years	75%	0%
10 years and above	100%	0%