



## Audit and Risk Management Committee

**Date:** FRIDAY, 12 MAY 2023  
**Time:** 10.00 am  
**Venue:** COMMITTEE ROOMS, GUILDHALL

<b>Members:</b>	Deputy Rehana Ameer	Alderman Bronek Masojada
	Deputy Randall Anderson	Judith Pleasance
	Alderman Alexander Barr	Karen Sanderson (External Member)
	Deputy Christopher Boden	Ruby Sayed
	Deputy Henry Colthurst (Ex-Officio Member)	Paul Singh
	Alderman Prem Goyal	Naresh Hari Sonpar
	Gail Le Coz (External Member)	Dan Worsley (External Member)
		<i>Vacancy</i>

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**Ian Thomas**  
**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. **ORDER OF THE COURT**

To receive the Order of the Court of Common Council dated 27 April 2023 appointing the Committee and setting its Terms of Reference.

**For Information**  
(Pages 5 - 6)

4. **ELECTION OF A CHAIR**

To elect a Chair in accordance with Standing Order 29.

**For Decision**

5. **ELECTION OF A DEPUTY CHAIR**

To elect a Deputy Chair in accordance with Standing Order 30.

**For Decision**

6. **MINUTES OF THE PREVIOUS MEETING**

To agree the public minutes and non-public summary of the previous meeting held on 13 March 2023.

**For Decision**  
(Pages 7 - 12)

7. **OUTSTANDING ACTIONS OF THE COMMITTEE**

Report of the Deputy Town Clerk.

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

8. **COMMITTEE WORK PROGRAMME**

Report of the Deputy Town Clerk.

**For Information**  
(Pages 15 - 20)

## **Governance**

### **9. APPOINTMENT TO SUB-COMMITTEES**

Report of the Deputy Town Clerk.

**For Decision**  
(Pages 21 - 28)

### **10. ANNUAL GOVERNANCE STATEMENT**

Report of the Chief Strategy Officer.

**For Decision**  
(Pages 29 - 48)

## **Financial Statements**

### **11. REPORT OF ACTION TAKEN**

Report of the Deputy Town Clerk.

**For Information**  
(Pages 49 - 52)

## **Internal Audit**

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

Report of the Chamberlain.

**For Information**  
(Pages 53 - 62)

## **Anti Fraud and Corruption**

### **13. ANTI-FRAUD & INVESTIGATIONS - 2022/23 ANNUAL REPORT**

Report of the Chamberlain.

**For Information**  
(Pages 63 - 82)

## **Risk Management**

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

Report of the Chief Strategy Officer.

**For Information**  
(Pages 83 - 130)

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

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

17. **EXCLUSION OF THE PUBLIC**

**MOTION**, that – under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part I of the Schedule 12A of the Local Government Act or relate to functions of the Court of Common Council which are not subject to the provisions of Part VA and Schedule 12A of the Local Government Act 1972.

**For Decision**

**Part 2 - Non-Public Agenda**

18. **RESOLUTION REGARDING GRESHAM ALMSHOUSES**

Resolution of the Gresham (City Side) Committee meeting on 24 February to the Audit and Risk Management Committee.

**For Information**  
(Pages 131 - 132)

19. **UPDATE FROM THE HEAD OF INTERNAL AUDIT**

The Head of Internal Audit to be heard.

**For Information**

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

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

LYONS, Mayor	<b>RESOLVED:</b> That the Court of Common Council holden in the Guildhall of the City of London on Thursday 27 <sup>th</sup> April 2023, doth hereby appoint the following Committee until the first meeting of the Court in April, 2024.
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## AUDIT & RISK MANAGEMENT COMMITTEE

### 1. **Constitution**

A Non-Ward Committee consisting of,

- ten Members elected by the Court of Common Council\* at least one of whom shall have fewer than five years' service on the Court at the time of their appointment
- three external representatives (i.e. non-Members of the Court of Common Council with no voting rights)
- the Chairman and Deputy Chairman of the Finance Committee (ex-officio with no voting rights)
- a representative of the Policy & Resources Committee (ex-officio with no voting rights)

*\*NB:- The Chairmen of the Policy and Resources, and Finance Committees are not eligible for election to this Committee and the Deputy Chairman of the Audit & Risk Management Committee for the time being may not be a Chairman of another Committee.*

*From April 2017 onwards, Members of the Court of Common Council are appointed for terms of three years. The maximum continuous period of service (except when serving as Chairman or Deputy Chairman) shall be nine years in any twelve-year period.*

*The Committee shall also have a second Deputy Chairman, appointed from the External Membership of the Committee.*

### 2. **Quorum**

The quorum consists of five Members i.e. at least three Members elected by the Court of Common Council and at least one external representative.

### 3. **Membership 2023/24**

- 3 (3) Rehana Banu Ameer, Deputy
- 7 (2) Alexander Robertson Martin Barr, Alderman
- 4 (2) Ruby Sayed
- 2 (2) Bronek Masojada, Alderman
- 2 (2) Judith Pleasance
- 2 (2) Paul Singh
- 7 (1) Randall Anderson, Deputy
- 7 (1) Christopher Boden
- 4 (1) Alderman Prem Goyal, O.B.E., J.P., Alderman
- Vacancy

together with three external representatives :-

Dan Worsley (*appointed for a three-year term expiring in April 2026*)

Gail Le Coz (*appointed for a three-year term expiring in April 2024*)

Karen Sanderson (*appointed for a three-year term expiring in April 2025*)

and together with the Members referred to in paragraph 1, plus four Members to be appointed this day.

### 4. **Terms of Reference**

#### **Audit**

- (a) To consider and approve the annual External Audit Plan.
- (b) To commission and to receive reports from the Chief Internal Auditor on the extent that the City of London Corporation can rely on its system of internal control and to provide reasonable assurance that the City of London Corporation's objectives will be achieved efficiently and within any time expectations set.
- (c) To meet with the external auditors as necessary prior to the presentation of the Accounts to the Court, consider the audited annual accounts of the City Fund and the various non-local authority funds (other than for Bridge House Estates) to receive and consider the formal reports, letters and recommendations of the City of London Corporation's external auditors (other than for Bridge House Estates) and to make recommendations relating to the approval of the accounts to the Finance Committee (other than for Bridge House Estates).
- (d) To report back, as necessary and at least annually, to the Court of Common Council.
- (e) To appoint an Independent Audit Panel to make recommendations on the appointment of external auditors to the Court of Common Council.

**Risk Management**

- (f) To monitor and oversee the City of London Corporation's risk management strategy and to be satisfied that the City Corporation's assurance framework properly reflects the risk environment and that the risk management framework for the identification and mitigation of existing and emerging risks is robust and effective.
- (g) To receive an annual report from the Head of Internal Audit, to include a review of the effectiveness of the City of London's risk management strategy.
- (h) To consider and report back to the Court on any risks related to all governance and value for money issues arising from the operational activities of the City Corporation.
- (i) To undertake periodic reviews of the risk management procedures, financial capabilities, controls, and safeguarding procedures of the City of London School, the City of London School for Girls, the City of London Freemens' School, the City of London Academies Trust (including its embedded academies) and the City Academies which are free-standing entities.

**Anti-Fraud and Anti-Corruption Arrangements**

- (j) To monitor and oversee the City of London Corporation's anti-fraud and anti-corruption arrangements.

**General**

- (k) To report back, as necessary and at least annually, to the Court of Common Council.
- (l) To measure and demonstrate the effectiveness of the Committee and its Membership.

## AUDIT AND RISK MANAGEMENT COMMITTEE

**Monday, 13 March 2023**

Minutes of the meeting of the Audit and Risk Management Committee held at  
Guildhall, EC2 on Monday, 13 March 2023 at 10.00 am

### **Present**

#### **Members:**

Alderman Alexander Barr (Chair)  
Alderman Prem Goyal (Deputy Chairman)  
Gail Le Coz (Deputy Chair, External)  
Deputy Randall Anderson  
Paul Martinelli  
Alderman Bronek Masojada  
Ruby Sayed  
Naresh Hari Sonpar  
Dan Worsley (External Member)

#### **Officers:**

Ian Thomas	- Town Clerk and Chief Executive
Caroline Al-Beyerty	- Chamberlain
Michael Cogher	- Comptroller and City Solicitor
Dionne Corradine	- Chief Strategy Officer
Emma Moore	- Chief Operating Officer
Bob Roberts	- Deputy Town Clerk
Peter Collinson	- City Surveyor's Department
Ben Dunleavy	- Town Clerk's Department
John Galvin	- City Surveyor's Department
Kehinde Haastrup-Olagunju Jnr	- Town Clerk's Department
Bruce Hunt	- Remembrancer's Department
Matthew Lock	- Chamberlain's Department
Paul Murtagh	- Community & Children's Services Department
Ola Obadara	- City Surveyor's Department
Tabitha Swann	- Town Clerk's Department
Sonia Virdee	- Chamberlain's Department
Genine Whitehorne	- Chief Operating Officer's Department
Paul Wright	- Remembrancer's Department

#### **Also in attendance**

Sophia Brown	- Grant Thornton (External Auditors)
Guy Clifton	- Grant Thornton (External Auditors)
Paul Dossett	- Grant Thornton (External Auditors)
Reshma Ravikumar	- Grant Thornton (External Auditors)

1. **APOLOGIES**

Apologies for absence were received from Rehana Ameer and Karen Sanderson.

Judith Pleasance observed the meeting virtually.

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

There were no declarations.

3. **MINUTES OF THE PREVIOUS MEETING**

The public minutes and non-public summary of the meeting held on 16 January 2023 were approved as a correct record.

The Chairman introduced the Town Clerk and Chief Executive and thanked him for joining the meeting.

The Town Clerk and Chief Executive thanked the Chairman for the invite and for his work while chairing the Committee. He provided Members with his impressions from his initial weeks in the role, and his thoughts on the key issues facing the City Corporation.

In response to a question from a Member on the City Corporation's workplace attendance policy, the Town Clerk and Chief Executive said it was important to recognise the benefits of both working from the office and working from home.

The Deputy Chair (External) asked if the Town Clerk and Chief Executive had thoughts on how Members might be able to virtually attend Committee meetings falling under local authority regulations. In reply, the Town Clerk and Chief Executive said that while the City Corporation would always need to work within the confines of the relevant legislation, he was keen to explore what could be done to use the available technology to improve outcomes for the various stakeholders.

A Member reflected on working practices within the City Corporation, commenting favourably on the cut-through of the Climate Action Strategy across the reports and decisions they had seen, but also on what they perceived to be a historic reluctance in the City to benchmark itself against comparable organisations. In reply, the Town Clerk and Chief Executive said that the Chairman of the Policy and Resources Committee had been very generous with his time in guiding the new Town Clerk through the strategic purpose of the City, and agreed that climate policies were critical, with a need to deliver on these rather than simply provide rhetoric.

The Chairman thanked the Town Clerk and Chief Executive for his candour, time and insight.

4. **OUTSTANDING ACTIONS OF THE COMMITTEE**

Members received the outstanding actions of the Committee.



The Town Clerk informed Members that the actions under agenda items 10 and 15 from the meeting on 22 November 2023 had been completed.

The Chief Strategy Officer informed the Members that the work for the action under item 12 from the meeting on 22 November 2023 would be delayed due to resourcing issues.

**5. COMMITTEE WORK PROGRAMME**

Members noted the Committee's work programme.

**6. EXTERNAL MEMBER - RE-APPOINTMENT**

The Town Clerk provided a verbal update to Members regarding the Nominations and Effectiveness Sub-Committee, which had met that morning, informing the Committee that the Sub-Committee recommended the appointment of Dan Worsley as an External Member for a second three-year term, expiring in April 2026.

RESOLVED, that – the Committee recommends to the Court of Common Council that Dan Worsley be appointed to the Audit and Risk Management Committee for a second term, expiring in April 2026.

**7. AUDITOR'S ANNUAL REPORT ON THE CITY OF LONDON CORPORATION: CITY FUND**

Members received a report of the External Auditors providing the annual report on City Fund, and considered this alongside the Audit Progress and Findings Reports circulated as items 15a and 15b.

The Chairman expressed his thanks to Neilesh Kakad for all his work.

Members noted that the wording for recommendations 7 and 8 had been duplicated in error. The correct wording for recommendation 8 was read out as follows:

*The Chamberlain commissioned an external review of HRA during 2022/23. The results will be presented to the Committee in March. Furthermore, implementation of the new ERP system will allow effective benchmarking to be progressed across areas. It should be noted that where the residential base for the City is in the region of c.8,000 residents some services will be more expensive when compared with neighbouring authorities; however, the recommendation has been noted and will be taken forward.*

Members discussed Improvement Recommendation 3 of the report, which recommended a 'formal risk based approach to the programme of Internal Audit work', and focused on the merits of a formalised internal audit plan versus an agile plan. It was felt that an agile approach worked well for the City Corporation, as it allowed focus on the basis of risk, but that it was important to have structures that provided for oversight of all potential risks. The Head of Internal Audit confirmed that the internal audit plan was a mix of both agile and planned work, which reflected current internal audit practice across most

institutions, and outlined the other structures and methods used to provide assurances on risks across the Corporation. He undertook to look at how to address the concerns regarding audit coverage against key systems and control areas. One way to cover this was through lighter-touch assurance work, which was becoming more necessary due to resourcing issues within the audit team. In reply, the External Auditors said they felt it was unusual not to have an annual audit plan, but acknowledged the point regarding resourcing. They hoped the Committee would receive assurances that resourcing would not pose a risk in covering internal audit work.

The Chamberlain noted her disappointment that the former External Auditors had not yet signed off the previous audit into City Fund. The Chairman confirmed that he would be happy to sign a potential letter if it was felt this would be helpful.

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

**8. INTERNAL AUDIT UPDATE**

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

The Deputy Chair (External) expressed her surprise that there were still outstanding audit recommendations from 2018/19. She asked if these concerns were still valid, or if they should be reviewed. In reply, the Head of Internal Audit said that the recommendations related to issues around the facilities at the Guildhall School of Music and Drama and the Barbican Centre. The recommendations had been dependent on other departments and an integrated management approach, and had taken longer to deliver than anticipated.

A Member asked how the Member Register of Interests and Related Party Transactions fitted into the work of internal audit. At the request of the Chairman, the City Solicitor reminded members of the legal requirements in these areas, and the responsibilities of the auditors. The Head of Internal Audit said that a review of this area had not been undertaken for some time, and that they could discuss with the relevant departments.

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

**9. RISK MANAGEMENT UPDATE**

Members received a report of the Chief Strategy Officer providing an update on risk management.

A Member, referring to CR39 Recruitment and Retention, asked where the balance of the risk lay, as there was not much information on recruitment. The Chief Strategy Officer replied that it related to both, with a huge amount of detail sitting behind the risk. A Member asked if the figure of 18.6 turnover included employees who had changed roles internally. The Chief Strategy Officer undertook to return with more information on this.

Members heard that the status of CR10 Adverse Political Developments had been reduced due to various external political developments and the efforts of officers from the Remembrancer's Department and the Corporate Affairs team.

RESOLVED, that – Members note:

- The report and the corporate and top red departmental risk registers outlined in the report, including the changes to the registers as follows:
  - The number of corporate risks had increased by one to 15 with the addition of a new corporate risk CR39 Recruitment and Retention (risk rating of Red 16, 4x4 - impact major, likelihood likely).
  - CR36 Protective Security had reduced its risk rating from red to amber (Amber 12, 4x3 - impact major, likelihood possible).
- That the number of red departmental risks had increased by one to 25 with the addition of five risks to the register since the last written update and the de-escalation of four risks to amber.

**10. DEEP DIVE CR09 HEALTH, SAFETY AND WELLBEING**

Members received a joint report of the Head of Internal Audit and the Chief Strategy Officer providing a Deep Dive into CR09 Health, Safety and Wellbeing.

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

**11. RESOLUTION REGARDING GSMD RISKS**

Members noted a resolution of the Board of Governors of Guildhall School of Music and Drama.

**12. TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY 2023/24**

Members received a report of the Chamberlain relative to the Treasury Management Strategy Statement and Annual Investment Strategy 2023/24.

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

**13. PROJECT GOVERNANCE**

Members heard from the Commercial Director, who provided the Committee with an overview of project governance at the City Corporation.

The Chairman asked a question relating to the management of pipeline planning for projects such as Guildhall Refurbishment and Barbican Renewal. In response, the Director said that these would both be significant major programmes, and would require a robust development of their business cases.

A Member expressed their concerns that the governance of major projects sat in the wrong place. The Director replied that there would be a review of project governance which would cover this.

A Member expressed their hope that an overall view of the scale of the financial challenges ahead was being created. The Chamberlain replied that major projects were included in CR38 Unsustainable Medium Term Finances – City’s Cash. The Chamberlain hoped that third-party capital would be available to help fund projects.

In accordance with Standing Order 40, Members agreed to extend the meeting.

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

A Member asked a question on how the Committee could respond to the Guildhall Music of School and Drama risks. In reply, another Member, also the Deputy Chairman of the Board of Governors of the Guildhall School of Music and Drama, replied that it was important to ensure that the risk sat at the right level.

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

Two items of business were circulated under item 15, and considered under item 7.

**15.1 Audit Progress Report**

**15.2 Audit Findings Report: Pension Fund**

The non-public minutes of the meeting held on 16 January were approved as a correct record in the public session.

**The meeting ended at 12.02 pm**

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Chairman

**Contact Officer: Ben Dunleavy**

**ben.dunleavy@cityoflondon.gov.uk**

## AUDIT AND RISK MANAGEMENT COMMITTEE – Outstanding Actions – May 2023

Items from meeting held 22 November 2023		
ITEM	Action	Officer and target date
<b>12. Any Other Business</b>	<p>Ensure that existing risk appetite levels are reviewed, along with broader stance on risk appetite and handling moving forwards, with a section on risk appetite to be added to the Annual Governance Statement moving forwards.</p> <p>Update – risk appetite is referenced in the Annual Governance Statement at item 10 of the Agenda, and will be developed in future Statements.</p>	Chief Strategy Officer – May 2023

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## Audit and Risk Management Committee

Work Programme – Linked to CIPFA Audit Committees Position Statement 2022

### Remaining Meetings for 2022/23:

12/05/2023	
Work Item	Link to CIPFA Position Statement
<b>Appointment to Sub-Committees</b> (Decision) Report appointing the Nominations and Effectiveness Sub-Committee and requesting appointments to other City Committees	Support a comprehensive understanding of governance across the organisation and among all those charged with governance, fulfilling the principles of good governance.
<b>Counter Fraud and Investigations 12 Month Report</b> (information) Report summarising the outcomes from Counter Fraud and Investigation activity for the 12 months from April to March.	Monitor the effectiveness of the system of internal control, including arrangements for financial management, ensuring value for money, supporting standards and ethics and <b>managing the authority's exposure to the risks of fraud and corruption.</b>
<b>Risk Management Update</b> (information) Annexes included: <ul style="list-style-type: none"> <li>▪ Full Corporate Risk Register (first meeting of new municipal year)</li> <li>▪ Summary report of corporate risks</li> <li>▪ Summary report of red departmental risks</li> </ul>	Consider the effectiveness of the authority's risk management arrangements. <b>It should understand the risk profile of the organisation and seek assurances that active arrangements are in place on risk-related issues, for both the body and its collaborative arrangements.</b>
<b>Head of Internal Audit Annual Opinion</b> (information) Annual report of the Head of Internal Audit providing an overall opinion on the adequacy and effectiveness of the Internal Control Environment, Risk Management and Governance arrangements, as required by the Public Sector Internal Audit Standards.	Monitor the effectiveness of the system of internal control, including arrangements for financial management, ensuring value for money, supporting standards and ethics and managing the authority's exposure to the risks of fraud and corruption.

## Audit and Risk Management Committee

Work Programme – Linked to CIPFA Audit Committees Position Statement 2022

<b>Draft Annual Governance Statement</b> (decision) In accordance with the Accounts and Audit Regulations (2015), the Committee should review and feed into the Annual Governance Statement. Note that this is a requirement only for City Fund activity.	Support a comprehensive understanding of governance across the organisation and among all those charged with governance, fulfilling the principles of good governance.
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10/07/2023

Work Item	Link to CIPFA Position Statement
<b>Internal Audit Update Report</b> (information) Regular (approx. quarterly) update from the Head of Internal Audit, covering: <ul style="list-style-type: none"> <li>▪ key findings from work completed during the period since the last Committee update (including recommendation follow-up)</li> <li>▪ status update for work in progress</li> <li>▪ intended programme of work for the period up to the next Committee update</li> </ul>	In relation to the authority's internal audit functions: <ul style="list-style-type: none"> <li>▪ <b>oversee its independence, objectivity, performance and conformance to professional standards</b></li> <li>▪ <b>support effective arrangements for internal audit</b></li> <li>▪ <b>promote the effective use of internal audit within the assurance framework.</b></li> </ul>
<b>Internal Audit Charter</b> (information) Report of the Head of Internal Audit, setting out the Internal Audit Charter. The Public Sector Internal Audit Standards require an annual review of the Charter.	In relation to the authority's internal audit functions: <ul style="list-style-type: none"> <li>▪ <b>oversee its independence, objectivity, performance and conformance to professional standards</b></li> <li>▪ <b>support effective arrangements for internal audit</b></li> <li>▪ <b>promote the effective use of internal audit within the assurance framework.</b></li> </ul>



## Audit and Risk Management Committee

Work Programme – Linked to CIPFA Audit Committees Position Statement 2022

<p><b>Corporate Risk In-Depth Review</b> (information)</p> <p>Report of the Head of Internal Audit covering findings from the programme of Corporate Risk Assurance Work undertaken by Internal Audit in consultation with the Corporate Strategy and Performance Team. Corporate Risks are reviewed on a rolling basis as minimum coverage, noting that the sequencing may be determined by proximity of risk, changing risk profile or other relevant factors.</p>	<p><b>Consider the effectiveness of the authority's risk management arrangements.</b> It should understand the risk profile of the organisation and seek assurances that active arrangements are in place on risk-related issues, for both the body and its collaborative arrangements.</p>
<p><b>Risk Management Update</b> (information)</p> <p>Annexes included:</p> <ul style="list-style-type: none"> <li>▪ Corporate Risk register above appetite</li> <li>▪ Summary report of corporate risks</li> <li>▪ Summary report of red departmental risks</li> </ul>	<p>Consider the effectiveness of the authority's risk management arrangements. <b>It should understand the risk profile of the organisation and seek assurances that active arrangements are in place on risk-related issues, for both the body and its collaborative arrangements.</b></p>
<p><b>Annual Report of the Committee</b> (decision)</p> <p>To be prepared following a self-evaluation of the effectiveness of the Committee, to be approved by the Committee before presentation to the Court of Common Council.</p>	<p>Report annually on how the committee has complied with the position statement, discharged its responsibilities, and include an assessment of its performance. The report should be available to the public.</p>

## Audit and Risk Management Committee

Work Programme – Linked to CIPFA Audit Committees Position Statement 2022

11/09/2023

Work Item	Link to CIPFA Position Statement
<b>Internal Audit Update Report</b> (information) Regular (approx. quarterly) update from the Head of Internal Audit, covering: <ul style="list-style-type: none"> <li>▪ key findings from work completed during the period since the last Committee update (including recommendation follow-up)</li> <li>▪ status update for work in progress</li> <li>▪ intended programme of work for the period up to the next Committee update</li> </ul>	In relation to the authority's internal audit functions: <ul style="list-style-type: none"> <li>▪ <b>oversee its independence, objectivity, performance</b> and conformance to professional standards</li> <li>▪ <b>support effective arrangements for internal audit</b></li> <li>▪ <b>promote the effective use of internal audit within the assurance framework.</b></li> </ul>
<b>Internal Audit Conformance with Public Sector Internal Audit Standards</b> (information) Report of the Head of Internal Audit following completion of an assessment of conformance with the Public Sector Internal Audit Standards, the standards require an annual self-assessment supported by a periodic External Quality Assessment.	In relation to the authority's internal audit functions: <ul style="list-style-type: none"> <li>▪ oversee its independence, objectivity, performance and <b>conformance to professional standards</b></li> <li>▪ support effective arrangements for internal audit</li> <li>▪ promote the effective use of internal audit within the assurance framework.</li> </ul>
<b>Corporate Risk In-Depth Review</b> (information) Report of the Head of Internal Audit covering findings from the programme of Corporate Risk Assurance Work undertaken by Internal Audit in consultation with the Corporate Strategy and Performance Team. Corporate Risks are reviewed on a rolling basis as minimum coverage, noting that the sequencing may be determined by proximity of risk, changing risk profile or other relevant factors.	<b>Consider the effectiveness of the authority's risk management arrangements.</b> It should understand the risk profile of the organisation and seek assurances that active arrangements are in place on risk-related issues, for both the body and its collaborative arrangements.

## Audit and Risk Management Committee

Work Programme – Linked to CIPFA Audit Committees Position Statement 2022

<b>Risk Management Update</b> (information)	Consider the effectiveness of the authority's risk management arrangements. <b>It should understand the risk profile of the organisation and seek assurances that active arrangements are in place on risk-related issues, for both the body and its collaborative arrangements.</b>
<b>Counter Fraud and Investigations 6 Month Report</b> (information) Report summarising the outcomes from Counter Fraud and Investigation activity for the 6 months from April to September.	Monitor the effectiveness of the system of internal control, including arrangements for financial management, ensuring value for money, supporting standards and ethics and <b>managing the authority's exposure to the risks of fraud and corruption.</b>
<b>Terms of Reference of the Committee</b> (information) Annual review of the Terms of Reference of the Committee, giving due regard to relevant legislation and professional guidance.	Consider the arrangements in place to secure adequate assurance across the body's full range of operations and collaborations with other entities.

## Audit and Risk Management Committee

Work Programme – Linked to CIPFA Audit Committees Position Statement 2022

**Meeting 5** – Suggested timing: December but determined by preparation dates

Work Item	Link to CIPFA Position Statement
<b>Draft Bridge House Estates Accounts</b> (decision) Annual Review of the Financial Statements for the Bridge House Estates.	Be satisfied that the authority's accountability statements, including the annual governance statement, properly reflect the risk environment, and any actions required to improve it, and demonstrate how governance supports the achievement of the authority's objectives.
<b>Draft City's Cash Accounts</b> (decision) Annual review of the Financial Statements for City's Cash	Support the maintenance of effective arrangements for financial reporting and review the statutory statements of account and any reports that accompany them.
<b>Draft City Fund Accounts</b> (decision) Annual review of the Financial Statements for City Fund	<p>Consider the opinion, reports and recommendations of external audit and inspection agencies and their implications for governance, risk management or control, and monitor management action in response to the issues raised by external audit.</p> <p>Contribute to the operation of efficient and effective external audit arrangements, supporting the independence of auditors and promoting audit quality.</p>

<b>Committee</b> Audit and Risk Management Committee	<b>Dated:</b> 12 May 2023
Appointment to Sub-Committees	<b>Public</b>
<b>Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?</b>	<b>3, 8 and 10</b>
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>N</b>
<b>If so, how much?</b>	<b>N/A</b>
<b>What is the source of Funding?</b>	<b>N/A</b>
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	<b>N/A</b>
<b>Report of:</b> Deputy Town Clerk	<b>For Decision</b>
<b>Report author:</b> Ben Dunleavy, Governance Officer	

## Summary

This report asks the Audit and Risk Management Committee to appoint the Nominations and Effectiveness Sub-Committee and approve its composition and Terms of Reference; and to appoint one Member to serve on the Resource, Risk and Estates Committee of the Police Authority Board.

## Recommendations

The Committee is asked to:

1. agree the appointment of the Nominations and Effectiveness Sub-Committee, and consider its composition and Terms of Reference; and,
2. appoint one Member to the Resource, Risk and Estates Committee of the Police Authority Board.

## **Main Report**

1. The purpose of this report is to consider the appointment of the Nominations and Effectiveness Sub Committee for 2023/24 and to approve its composition and Terms of Reference. Additionally, the Audit and Risk Management Committee is asked to appoint one of its Members to serve on the Resource, Risk and Estates Committee of the Police Authority Board.

### **Nominations and Effectiveness Sub-Committee**

2. At your Committee on 16 January 2018, Members agreed to establish a Nominations Sub-Committee. The composition of the Sub-Committee was amended at the May 2022 meeting to include both Deputy Chair roles as members.
3. The Sub-Committee was renamed the Nominations and Effectiveness Committee in January 2023, and its terms of reference revised, to give it a clearer remit over reviewing the effectiveness of the Committee and its members (see background reports). The current composition and Terms of Reference are included at Appendix 1.
4. Sub Committee meetings are arranged as and when required, including for the purposes of reviewing applications and interviewing candidates, with the terms of reference stating that it must meet no less than two times a year.
5. The Sub-Committee does not currently have defined quorum rules, and is thus subject to Standing Order 27.2 ('The quorum for a Sub-Committee shall be any three of its Members, unless otherwise specified by the appointing Committee or the Court'). Members may wish to consider whether this should be revised to specify that at least one External Member must be present for the Sub-Committee to be quorate.

### **Resource, Risk and Estates Committee of the Police Authority Board**

6. The Committee appoints one Member to serve on the Resource, Risk and Estates Committee of the Police Authority Board. Members have been asked to indicate whether they wish to serve on this Sub-Committee. The current terms of reference and composition of the Resource, Risk and Estates Committee are listed at Appendix 2, along with the meeting dates for the next civic year.

### **Corporate & Strategic Implications**

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

## **Conclusion**

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

## **Appendices**

- Appendix 1 – Terms of Reference and Composition of the Nominations and Effectiveness Sub-Committee of the Audit and Risk Management Committee
- Appendix 2 – Terms of Reference and Composition of the Resource, Risk and Estates Committee of the Audit and Risk Management Committee

## **Background Papers**

- 'Terms of reference review', report of the Town Clerk to the Audit and Risk Management, 16 January 2023

## **Ben Dunleavy**

Governance Officer

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## APPENDIX 3

### **Terms of Reference and Composition of the Nominations and Effectiveness Sub Committee**

**Membership:** 6 Members, including the Chairman and Deputy Chairs of the Grand Committee and at least one External Member to give an independent perspective.

- 2022/23 Membership:
  - Alderman Alexander Barr (Committee Chairman)
  - Alderman Prem Goyal (Deputy Chair)
  - Gail Le Coz (Deputy Chair)
  - Rehana Ameer
  - Karen Sanderson
  - *Vacancy*

**Meeting frequency:** to meet no less than two times a year

1. To make recommendations to the Audit and Risk Management Committee on the appointment of all External Members to that Committee.
2. To consider the most appropriate way to recruit External Members to the Audit and Risk Management Committee, including the placing of advertisements or the use of personal contacts.
3. To consider proactively potential External Member talent outside of the recruitment cycle which naturally arises on the expiry of any current External Members' term, such that the City Corporation can engage at early stage with interested parties.
4. To promote the role of the Audit and Risk Management Committee to Members of the Court such that a wide pool of future Committee Member talent can be identified and encouraged to consider putting themselves forward as Members of the Committee.
5. To consider the aggregate skills and capability of the Audit and Risk Management Committee by reference to a periodically compiled skill matrix in order that Member training and development needs can be effectively established and actioned.

n.b. The Sub Committee will have advisory powers only and make recommendations on nominations to the grand Committee.

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## **Resource, Risk and Estates Committee**

### **Composition**

- Up to six Members of the Police Authority Board appointed by the Police Authority Board, in addition to the Chair and Deputy Chair;
- One co-opted Member to be appointed by the Audit and Risk Management Committee [Randall Anderson was appointed in 2022]; and
- Up to two co-opted Members of the Court of Common Council to be appointed by the Police Authority Board.
- The Chair of Finance Committee or their nominee.
- Up to two external independent members, to be appointed by the Police Authority Board.

### **Frequency of meetings**

- The Committee shall meet four times per annum.
  - 22 May 1.45pm
  - 6 September 11am
  - 1 November 11am

### **Quorum**

Three Members (of which at least two must be Common Councillors).

### **Terms of Reference**

*To be responsible for:*

- a) monitoring and challenging City of London Police's use of resources to deliver its strategic priorities efficiently and effectively
- b) overseeing City of London Police's financial management including monitoring in-year financial performance against revenue and capital budgets, scrutiny of proposed revenue and capital budgets and the Medium Term Financial Plan;
- c) overseeing the City of London Police's human resource management including strategic workforce planning and establishment strength;
- d) overseeing commercial projects and major change programmes and scrutinising capital spend and other investment to ensure value for money;
- e) monitoring the corporate risks and mitigations of the City of London Police and Police Authority;
- f) scrutinising internal audit reporting and implementation of recommendations; and
- g) scrutinising police estates strategy requirements to ensure effective delivery of services that meet community needs.

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<b>Committee(s)</b>	<b>Dated:</b>
Audit and Risk Management Committee	12/05/2023
<b>Subject:</b> Annual Governance Statement (City Fund) 2022/23	<b>Public</b>
<b>Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?</b>	<b>N/A</b>
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>N</b>
<b>If so, how much?</b>	<b>N/A</b>
<b>What is the source of Funding?</b>	<b>N/A</b>
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	<b>N/A</b>
<b>Report of: Chief Strategy Officer</b>	<b>For Decision</b>
<b>Report author: Barbara Hook Assistant Director Corporate Planning</b>	

## Summary

This report presents the Annual Governance Statement (AGS), published alongside the 2022/23 City Fund and Pension Fund Statement of Accounts, as required by the Accounts and Audit (England) Regulations 2015 and prepared in accordance with practice guidance: "Delivering Good Governance in Local Government" – issued jointly by the Society of Local Authority Chief Executives and Senior Managers and the Chartered Institute of Public Finance and Accountancy.

## Recommendation(s)

Members are asked to:

- Consider and approve the AGS, at Appendix 1, for signing by the Chair of the Policy and Resources Committee and the Town Clerk and Chief Executive
- Note that the AGS will be published alongside the 2022/23 City Fund and Pension Fund Statement of Accounts
- Delegate authority to the Town Clerk and Chief Executive, in consultation with the Chairman and Deputy Chairmen of this Committee, to amend the AGS for any relevant significant events or developments that occur prior to the date on which the Statement of Accounts is signed by the Chamberlain.

## Main Report

### Background

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

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

### **Current Position**

5. The intended purpose of the AGS is to describe what steps the organisation has taken to evaluate the adequacy and effectiveness of its systems of governance and provide an overall conclusion thereon.
6. The AGS at Appendix 1 is in the same format as the previous year's AGS, which was designed with public accessibility and ease of understanding in mind. The AGS aims to help drive improvement in the Corporation's overall effectiveness as allowed for by CIPFA guidance. It incorporates feedback and direction provided by the Committee in July 2022 when the 2021-22 Annual Governance Statement was reviewed, including
  - a. Including the Head of Internal Audit's annual opinion of the City of London Corporation's adequate and effective systems of internal control within the Executive Summary (paragraph 4)
  - b. Noting the City of London Corporation has a majority independent elected membership (diagram on page 2)
  - c. Noting governance arrangements in respect of aldermanic terms of office, previously affected by the pandemic, are again regularised (paragraph 17)
  - d. Placing key governance issues in order of significance (paragraphs 35-50)
  - e. Consideration of people issues in the context of a more challenging post-pandemic employment landscape (paragraph 46).
7. The action plan (paragraph 51) notes six areas of action for the coming year and Chief Officers who have Lead responsibility. All Chief Officers will contribute to the delivery of these actions. The Chief Officer with Lead responsibility will ensure that delivery is joined up across the City Corporation.
8. The AGS has been reviewed by the Executive Leadership Board on 15<sup>th</sup> March 2023.

9. In accordance with the practice adopted in previous years, Members are asked to delegate authority to the Town Clerk and Chief Executive, in consultation with the Chairman and Deputy Chairmen of this Committee, to amend the AGS for any relevant significant events or developments that occur prior to the date on which the Statement of Accounts is signed by the Chamberlain. Publication of the Statement of Accounts is due by 31<sup>st</sup> May.

## **Conclusion**

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

## **Appendices**

- **Appendix 1** - Draft AGS City Fund 2022/23

### **Barbara Hook**

Assistant Director Corporate Planning, Town Clerks Department

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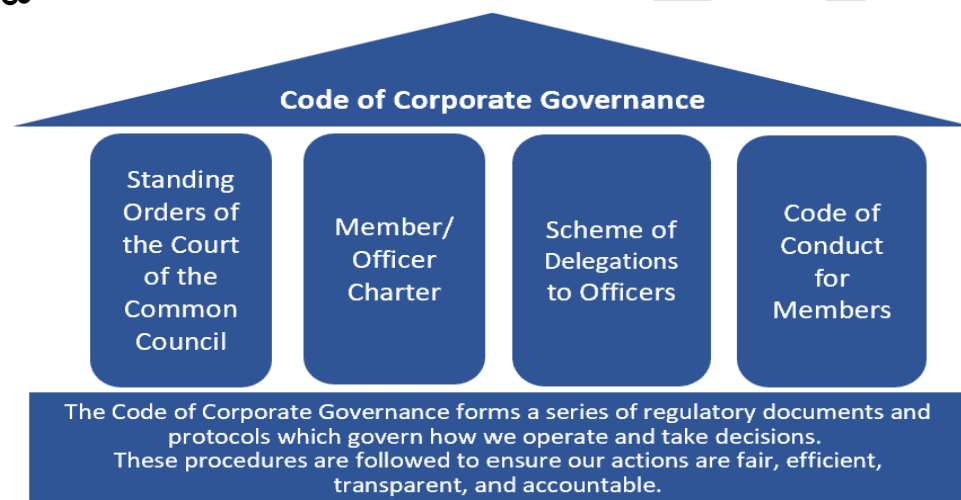
## Annual Governance Statement 2022/23 (City Fund)

### Executive Summary

1. The City Corporation has approved and adopted a code of corporate governance which is consistent with the principles of the CIPFA/SOLACE *Delivering Good Governance in Local Government Framework 2016*.
2. This statement explains how the City Corporation has complied with the code and also meets the requirements of [regulation 6\(1\) of the Accounts and Audit \(England\) Regulations 2015](#), which requires all relevant bodies to prepare an annual governance statement.
3. The City of London Corporation is satisfied that appropriate governance arrangements are in place. The organisation is committed to continuous improvement and changes that are due to be made in the coming year will strengthen this position further.
4. **The Head of Internal Audit has provided an annual opinion stating that the City has adequate and effective systems of internal control (which includes governance arrangements) in place to manage the achievement of its objectives. This is informed by completed Audit work, discussion with key officers and observation of the governance process in operation.**

### Code of Corporate Governance

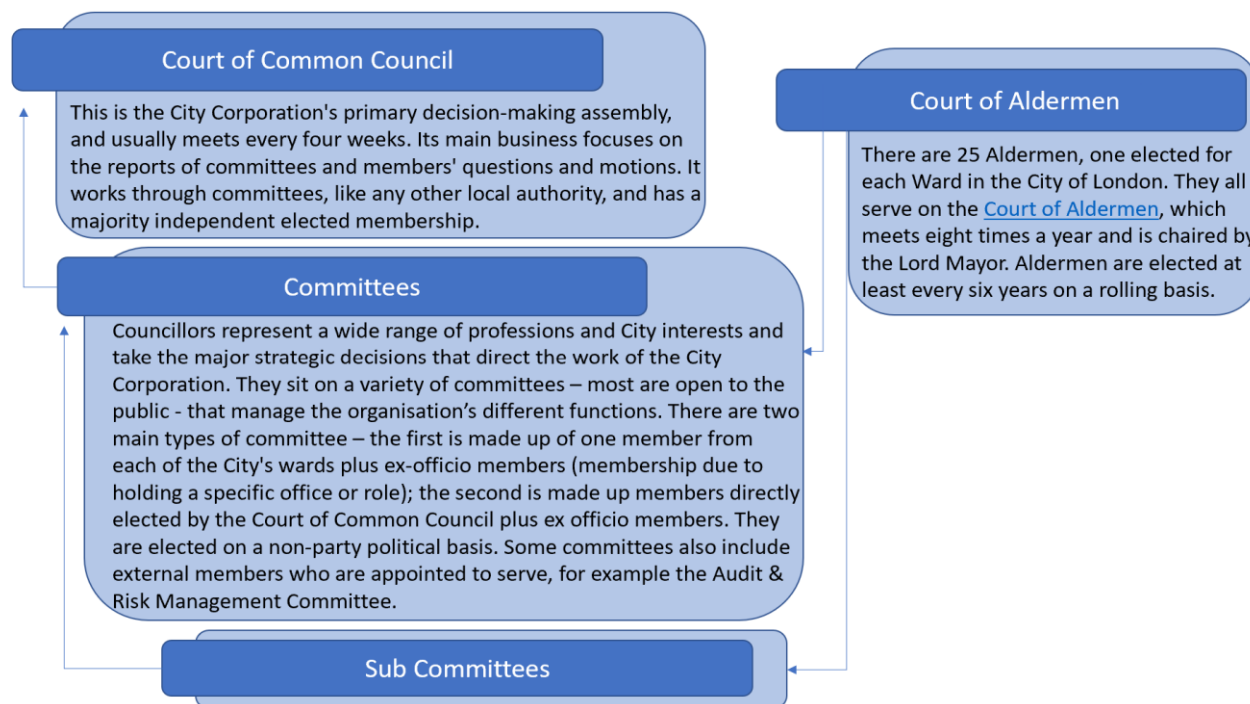
1. The principles of good governance are embedded within a comprehensive published Code of Corporate Governance. This code covers both the Local authority and Police Authority roles, and links together a framework of policies and procedures, all of which are published on the City of London Corporations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



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

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

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



## Key Elements of the Governance Framework

### Members, Committees and Policy Chair

Provide leadership and set policy to maintain the City's global standing as a vibrant and thriving City, supporting a diverse and sustainable London within a globally successful UK

### Scrutiny and Review

[Committees](#) scrutinize and review policy, plans and performance:

- Audit and Risk Management Committee
- Nominations and Effectiveness Sub Committee of the Audit and Risk Management Committee
- Finance Committee
- Policy and Resources Committee
- Corporate Services Committee
- Police Authority Board
- Bridge House Estates Board

### Risk Management

Corporate risks are considered by the Chief Officer Risk Management Group (chaired by the Chief Strategy Officer), and Executive Leadership Board, and reported to the Audit and Risk Management

### Decision making

Committee meetings are held in public and recordings are available on [City of London Corporation – YouTube channel](#) for up to one year  
Decisions [are recorded](#) on the City Corporation website

### Town Clerk and Chief Executive and other Chief Officers



The [Town Clerk and Chief Executive](#) is the Head of Paid Service and responsible for City Corporation staff and for leading the Chief Officer executive leadership team. The Comptroller and City Solicitor and Deputy Chief Executive is the Monitoring Officer who, with the Town Clerk and Chief Executive, is responsible for ensuring legality and promoting high standards of public conduct. The Deputy Town Clerk is responsible for servicing meetings of the Court of Common Council and Court of Aldermen, their committees, sub-committees and working parties, and being responsible for the City of London Corporation's Communications. The Chamberlain and Chief Finance Officer is the City Corporation's s.151 Officer responsible for ensuring the City Corporation's financial position.

## The Corporate Plan 2018-23

8. The City of London Corporation [Corporate Plan 2018-23](#) provides the framework for the delivery of our services. We aim to contribute to a flourishing society, support a thriving economy and shape outstanding environments. Our annual Business Planning process is aligned to the Corporate Plan outcomes, with the objective of focusing the City Corporation's ambition, resources and performance on the achievement of twelve strategic outcomes. A narrative covering the 2024 year is to be attached to Corporate Plan 2018-23 as an annex, under the direction of the Chief Strategy Officer, with development of a full five-year 2025-30 Corporate strategy and plan to follow.

## **Progress on Issues identified in the 2021-22 Annual Governance Statement**

9. The City of London Corporation has taken action to progress the issues that were identified in the Annual Governance Statement 2021-22, listed below.

Issue identified	Action Taken	Outcome
Refining the Corporation's annual Business Planning Process, to ensure the development of the City of London Corporation Corporate Plan 2025-30	An approach to strengthen and align 2023-24 Business Planning was implemented through a regular, collaborative Officer Forum and through the scrutiny of drafts by the Executive Leadership Board, identifying synergies, opportunities and dependencies. Changes included greater focus on providing insight on medium term plans and workforce planning alongside the finance and strategy development aspects to help inform the ongoing development of future CoLC priorities. Further improvement is to be implemented in the 2024-25 year cycle, linking more clearly in plans the funding and people resources to the priority workstreams, bringing increased assurance of the alignment of cross-cutting activities with resources.	Ongoing
A redesign of the Corporate Performance Framework so it aligns to the development of the City of London Corporation Corporate Plan 2025-30	Activity continues providing support across the organisation to enable teams to identify relevant performance data which they are able to baseline and so monitor activity. The complex challenges of identifying and quality assuring data so that it can be collated and used to monitor activity and performance are being worked through area by area. Uplifting capability on data at team level and identifying relevant management information is critical for an effective performance framework. In parallel, cross cutting performance data has been identified and dashboards and tools are being developed to monitor distinct themes, including monitoring implementation of audit recommendations and completion of mandatory training. See also paragraphs 20-21.	Ongoing
Further work on developing the City of London Corporation's Corporate Risk management approach and culture	Oversight of City Corporation risk management moved on 1 April 2022 from the Internal Audit Team to the Corporate Strategy and Performance Team (CSPT). See also paragraph 29.	
Continuing to strengthen Equality, Diversity & Inclusion	A new <a href="#">EDI Sub-Committee</a> was set up in September 2022, as per a Lisvane recommendation. This group's responsibilities include the creation and implementation of an Equality Diversity and Inclusion governance structure across the City of London Corporation, including its services and its institutions. An Executive Director of EDI was appointed to lead the newly formed EDI directorate. As part of the EDI governance structure a number of new Boards	

	have been established, the EDI Board comprising the staff network leads and sponsors, the Equality representatives network, the EDI Steering Group (CoLC), and EDI Strategic Leaders (Institutions). See also paragraph 37-40.	
Establishing the agreed new Committee Structure and governance arrangements to conclude the implementation of the Lisvane Review	The update on the Committee Structure has been implemented as agreed by the Court of Common Council in December 2021. Given the quantum of changes, Members requested an opportunity for a 'light touch' review of how the new structure was bedding in, with a view of rectifying any matters that were not working as hoped. This light touch review is underway and a <a href="#">summary of further changes to be explored was reported to the Policy &amp; Resources Committee in February 2023</a> . <a href="#">Progress against the original Lisvane recommendations can be found here</a> . It is intended that this light touch review be concluded by May 2023. See also paragraph 10.	Ongoing
Ensuring continuing compliance with the CIPFA Financial Management Code	During 2022/23 several actions were taken to address the areas for improvement identified in the 2021/22 review including the development of a 60 year financial model to assess the financial sustainability of City Fund linked to the significant financial commitments under its major projects programme, continued reporting of financial risk within the organisation, and the Chamberlain's function beginning its own transformation journey to better support the organisation through these challenges. Some areas remain subject to further improvement including creating VFM training to support existing VFM controls and creating better metrics to measure the outcomes of service activity, which we will seek to address in the following financial year. See also paragraphs 22-25.	Ongoing
Ensuring new Operating Model transition to business as usual and providing an assessment of its effectiveness via a Continuous Improvement and Review process.	Implementing the Target Operating Model (TOM) continues with the majority of departments completing or progressing TOM implementation activity into the final stages during the past year. For the majority of the organisation the TOM is now embedding and starting to become business as usual, so it is too soon to provide an assessment of the effectiveness of the model. However, during the past year individual departments redesigning structures have successfully complied with the predetermined organisational design principles for the new operating model. The TOM is likely to be completed by the end of 2023, with all areas of the organisation expected to have implemented the organisational design principles. See also paragraph 50.	Ongoing

## Review of Effectiveness

Governance Key Performance Indicators	Outcome			
Internal Audit Work: as at 31/03/2023, 20 Internal Audit reviews were completed (final reports issued), 70% of which resulted in a Moderate Assurance opinion, a small number of Limited and Substantial Assurance opinions were given. A total of 73 recommendations were raised by Internal Audit, 70% of which were given a Medium priority rating, requiring prompt attention from Management. almost 10% of recommendations raised were High (critical)	Assurance Ratings Provided		Recommendations Raised: 73	
	<div><div>Moderate 14</div><div>Limited 3</div><div>Substantial 3</div></div>		<div><div>52</div><div>15</div><div>6</div></div>	

priority, all of which have resulted in prompt response from management.	
Fraud identification: proven fraudulent activities carried out by members or staff	One case in 2022/23. CoLC has a robust strategy for tackling and preventing fraud and instances of fraud involving staff are rare. One case in the period involving an agency worker was detected quickly as a result of the Corporation's established local counter fraud networks and acted upon immediately by management in consultation with Internal Audit's Counter Fraud Team, leading to the cessation of the agency worker's contract. This case generated further improvements in oversight for working patterns and the City's Counter Fraud Team is taking a leading role for London Boroughs to identify and tackle this fraud risk through data matching and its investment in the London NFI Fraud Hub.
Outcomes of investigations carried out by Monitoring Officer or Independent Panel	In the period 7 complaints were considered by the Independent Panel under the Code of Conduct.
s151 formal issues raised	None in 2022/23
Local Government & Social Care Ombudsman referrals (where upheld)	<a href="#">Compliance with recommendations</a> – 100%
Meeting statutory deadlines/targets as per Electoral Commission Performance Standards	2022: The Electoral Services team carried out 13 elections across 32 wards (some wards had multiple elections), the most in a single London area, to the national standard. See also paragraph 15.
Freedom of Information and Environmental Information Regulations	2022: 93.93% of FOI and EIR requests (1154 requests received) were responded to within the statutory compliance deadline. Information Commissioners Office target: 90% of FOIs responded to in time. 2022: 10 Complaints were received concerning request responses of these 50% (5 complaints) were upheld, 20% (2 complaints) were partially upheld, 30% (3 complaints) were not upheld.

## Member governance

10. Robert Rodgers, The Lord Lisvane, was commissioned to undertake [an independent review of the City Corporation's governance arrangements](#) in 2019. His findings were received in September 2020. The review was scrutinised by the Court of Common Council through regular Member Engagement Sessions; each aspect of the review and the Court's decision-making arrangements was explored in detail and views were sought on revising the committee structure and governance arrangements to be a more effective, efficient and relevant decision-making structure. Initially, up until 31 March 2021, consideration had been given to the organisation's constitutional arrangements and support given to the abolition of the Standards Committee and the Standards Appeal Committee, the introduction of Independent Panels to receive allegations of misconduct, determine whether to investigate, present findings to the Court, and hear any appeal; the creation of the now-named Competitiveness Advisory Board as well as an Emergency Committee to provide Member oversight in emergency situations in future. In December 2021, further changes were agreed upon by Court and full implementation of a revised structure was implemented after the 2022 Ward elections. A 'light touch' review is currently underway, which seeks to address areas which are identified as problematic, and an urgent focused assessment will be conducted to recommend changes to the appropriate body. This anticipates a more comprehensive review which is currently due to be undertaken in 2024.
11. Business as usual (annual) reviews into the various thresholds and responsibilities captured within the [Scheme of Delegations](#) and [Standing Orders](#) is also underway. In October 2022, new Planning governance arrangements were agreed and implemented by the Court of Common Council with immediate effect. Work on the



current housing governance structure is still underway and it is hoped that it will be delivered for April 2023. Separately, a review led by the Chief Operating Officer has been undertaken into Project Governance.

12. In February 2023 members agreed a proposal to introduce an electronic voting system, capable of recording individual votes, that would replace the current voting procedure as laid out in paragraph 4 of Standing Order No.14. The use of e-voting at Court of Common Council is to be operational from its May 2023 meeting.
13. 2022 also saw the appointment of a new [Chairman of Policy & Resources Committee](#) who, for the City Corporation, acts as lead Member & the de factor political leader. [Policy & Resources Committee](#) elected a Deputy Chair and two Vice-Chairs in line with changes undertaken following the Lisvane review (previously 3 Deputy Chairs). Following a recommendation in the Fraser Review, an expanded Office of the Policy Chairman was developed to provide central diary, briefing and policy support to the Chairman, in recognition of the substantial burden of the office and the importance of the role of Policy Chairman to the Corporation's wider objectives and relationship and political management.
14. A Lisvane recommendation endorsed by the Court of Common Council was the use of Members in a "rapporteur" role. Proposed in the context of the considerable workload that would continue to fall upon Chairs of Committees, it was suggested general Committee Members be asked to take the lead on particular subjects within a Committee area of responsibility. This happened to some extent already but, in the context of smaller Committees, might benefit from being used more extensively. For Policy and Resources Committee it was observed that this provided a constructive mechanism to not only help share the workload (particularly given the move to one Deputy Chairman, away from the three previously utilised), but also afford the opportunity to utilise the diverse talents and expertise of different Members in a more effective way. Policy Leads are appointed annually by the Policy and Resource Committee from amongst the membership of a full Court. Appointments are considered on the basis of recommendations from a selection panel, which reviews expressions of interest from the Court against specified criteria. Four of the policy leads (on Emerging Markets, Advanced Markets, Innovation & Tech and Sustainability) provide expert advice and guidance to officers operating across existing work streams. Two others (Sports, SMEs) provide member oversight to officers' developing areas of work. The Policy and Resources Committee receive a Policy Leads Quarterly update. The first update in January 2023 set out what guidance and governance has been put in place, what early activities the Policy Leads have engaged in and the future priorities that have been identified in each area.

#### Policy Leads Overall Responsibilities

- To act as a senior spokesperson for, and represent the views of, the Committee in respect of the relevant policy area for which they have been appointed Lead.
- To support the Chairman in the formation and delivery of the Committee and Corporation's policy goals (within the relevant policy area).
- To deputise for the Chairman at relevant engagements or hospitality events (in the absence of the Deputy / Vice Chairmen).
- To act as spokesman on behalf of the Chairman in their absence (and the absence of the Deputy / Vice Chairmen).
- To act as a point of contact or "sounding board" for relevant officers, providing political steers in relaying the Committee's views, so as to inform implementation and prioritisation at the operational level.
- To act as the Member point of contact for colleagues interested in the policy area, assisting with information sharing and triaging of questions to relevant technical officers.
- To support and co-ordinate political decision making between and for relevant Committee Chairs.
- To lead on the collation of insight and expertise from Members across the wider Court with relevant knowledge or experience of the policy area.
- To work with colleagues outside of the formal meeting setting to share information / understanding, enabling Members to coalesce around the agreed policy decisions and implementation plans

## Code of Conduct (Independent Panel)

15. The [Independent Panel](#) comprises a diverse group of independent persons appointed by the Court of Common Council following a transparent advertising and recruitment process. Its membership is currently in the process of being expanded from nine to twelve independent persons. Its purpose is to receive allegations of misconduct under the Members' Code of Conduct, facilitate informal resolution where appropriate, determine whether to investigate allegations, consider the outcome of investigations and if necessary, hold a hearing and any appeal and present recommendations to the Court regarding breaches of the Code and any sanctions. The regime involves a three-stage process: an assessment stage, a hearing stage and an appeal stage which are considered by separate Sub-Panels. The Panel is also responsible for considering requests for dispensations. Other elements of the former Standards Committee's work are currently retained under the auspices of the Civic Affairs Sub-Committee of the Policy and Resources Committee e.g. promoting and maintaining high standards of conduct by Members and Co-opted Members and keeping under review and monitoring the following:

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

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

The Protocol on  
Member/Officer Relations

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

## Electoral Arrangements

16. The City Corporation administers electoral registration and elections in the City of London and maintains a database of organisations and individuals in the City of London who are eligible to register to vote. Three separate registers are maintained: the Common Hall Register of Liverymen, the Ward Lists and the Electoral Register. Information on [the electoral process and how to vote](#) is published on the City Corporation website, as are the details of forthcoming elections and [election results](#). The electoral process remains robust, despite the multiple legislative locations and legislative divergence with the national position. Aldermanic elections and Common Council by-elections were held in a number of wards in the 2022-23 year. We saw an increase in diversity of candidates and maintained a legitimate turnout at elections despite the challenges faced with an annual register. The Ward List increased again for the second year in a row and is at its highest since 2016. Preparations are in hand for the introduction of the Elections Act in 2023, to ensure that the City of London Corporation fully complies with the new legislation, and for the next UK Parliamentary General and GLA elections in 2024 and the next City of London all-out elections in 2025.

### 2022-23 Aldermanic elections

May 2022  
Aldersgate  
Cordwainer  
Cornhill

July 2022  
Bridge and  
Bridge  
Without  
[Walbrook](#)

September 2022  
Bishopsgate  
[Cripplegate](#)

December 2022  
Farringdon  
Without  
[Queenhithe](#)  
Aldgate

### 2022-23 Common Council By-elections

September 2022  
Cordwainer

November 2022  
Bridge and  
Bridge  
Without

March 2023  
Castle Baynard  
[Cripplegate](#)

17. [Common Hall](#) is one of the assemblies through which the City Corporation operates and is a meeting of the Liverymen of the City of London Livery Companies, held at Guildhall twice a year, to elect officers of the City including the Sheriffs and the Lord Mayor. The annual [Aldermanic Appraisal Process](#), including job descriptions and person specifications for the role of Alderman, Aldermanic Sheriff and Lord Mayor, forms part of the City Corporation's corporative governance information. The Lord Mayor is elected annually at Michaelmas, on 29 September, and the City's Sheriffs are elected after Midsummer day on 24 June. Sheriffs support the Lord Mayor in their official duties undertaken on behalf of the City Corporation. Aldermanic terms of office are again regularised, following earlier disruption due to the pandemic.

#### **Officer governance**

18. In December 2022 the Town Clerk and Chief Executive retired after ten years in role leading the City Corporation as Head of the Paid Service. The Deputy Chief Executive provided interim cover until the appointment of a new [Town Clerk and Chief Executive](#) took effect in February 2023.

#### **The second proclamation of King Charles III**

19. The City of London Corporation, as a unique and ancient institution with more than a thousand years of history and as the governing body of the City of London, has an important role in the UK's constitution. The second [proclamation](#) of King Charles III as sovereign (after the first proclamation at St James's Palace) took place outside the Royal Exchange in the City of London on 10 September 2022. Given the ceremonial, security and logistical complexities of the operation involving a wide range of Corporation departments tasked with delivering such a nationally significant occasion at short notice, it was much appreciated that a large number of highly positive comments were received from Members and external stakeholders.

#### **Performance Management**

20. Work to improve management information and develop a framework for corporate performance further developed over the past year. Activity has taken place under three themes (recognising there are different levels of maturity within the organisation in relation to monitoring and use of data and management):
- delivering capability at team/departmental level,
  - developing data resource at organisational level, and
  - identifying ways of developing a top-down performance approach for the organisation that can be integrated into the business planning process.
- ELB discussions agreed to focussing on these areas and that datasets would be made available by departments to progress performance work.
21. Support continues to be provided for teams ready to build up their capability on data, through workshops that support the identification of management data relevant to measuring localised activity and performance and set up processes for collecting, collating, using and visualising this. This data will provide the baseline for localised performance management, regular reporting and future modelling activity once the datasets are rich enough, and be closely tied in to business planning. A corporate dashboard, the City Intelligence Dashboard (CID) has been developed and is accessible to all staff via the City of London Corporation's intranet. Version 1 is designed to show footfall and activity levels within the square mile, and will gather data over time to build a rich dataset to help understand and model activity in the city. Work has taken place to identify existing cross-cutting datasets that can form part of an overall framework to understand top-down corporate performance, with the intention of developing useable dashboards once data quality issues have been resolved, and which may also provide the method for performance measurement in Corporate Plan 2025-30.



## Financial Management Arrangements

22. The Chamberlain is the Chief Finance Officer in accordance with section 151 of the Local Government Act 1972 and has overall responsibility for the proper administration of the City's financial affairs. CIPFA's 2010 Statement on the Role of the Chief Financial Officer in Local Government defines the key responsibilities of this role and sets out how the requirements of legislation and professional standards should be met. The City's financial management arrangements were reviewed and found to conform to the governance requirements of the Statement. The Chamberlain also fulfils the role of Treasurer of the Police Authority. Compliance with [CIPFA's Financial Management Code](#) was reviewed and areas for action in relation to this were determined.
23. The City Corporation culture is to maximise returns from its resources and seek value for money. It assesses the scope for improvements in efficiency/value for money by a variety of means, including improvement priorities set by the Policy & Resources Committee through the annual resource allocation process. [The Operational Property and Projects Sub Committee](#) meets monthly to ensure that projects align with corporate objectives and strategy and provide value for money. The [Capital Buildings Board](#) provides oversight for the major programmes, meeting every two months, supported by a monthly Major Programme Assurance Board.
24. In light of the economic climate, the City Corporation conducted a review of its capital programme to assess the financial sustainability of the current portfolio in light of inflationary pressures. The review resulted in pauses to previously agreed projects and a reprioritisation of funds to projects deemed as higher priority. Future capital bids will be limited to only essential projects, recognising that inflationary pressure may persist, and that a focus should be on delivery of existing schemes rather than adding new ones. Careful monitoring has also been undertaken on revenue spend to ensure department operate within their cash limits whilst continuing to deliver services to residents and businesses. Assumptions within our medium term financial forecasts have been updated to reflect the economic environment to ensure a realistic picture is drawn when assessing financial sustainability.
25. The City of London Corporation has also established a Resources and Priorities Refresh (RPR) Programme which builds on themes from previous reviews through four workstreams - Operational Property; Commercial, including Income Generation; Productivity; and Corporate Plan Annex 2024 - that will enable it to be better equipped for current and future challenges.

## Procurement

26. The Procurement Code sets out the requirements of the Corporation's standing orders in regard to procurement and contract management. The Procurement Code was updated following the implementation of the TOM and the new arrangements went live in January 2023. The changes to the Procurement Code have been supported by the development of a business partnering approach within the Commercial Service, relaunch and strengthening of arrangements for Category Boards and comprehensive communications and engagement to ensure the changes are understood and an effective assurance framework is in place. New and comprehensive guidance that enables officers to access guidance and learning opportunities through bite-sized focussed sessions as part of our new Commercial Academy has also been developed.
27. Further changes to the Procurement Code are anticipated in 2023 in response to the Procurement Bill that is currently being debated in Parliament. Progress of the Bill is being closely monitored at the Commercial Service is engaging with the Government Commercial Function to access preparatory development sessions.

### Key updates included

- Rule 15 procurement thresholds and procedures: The Operational Purchasing threshold has been raised from £50,000 to £100,000 which devolves responsibility for purchases under £100,000 to departmental Officers.
- Rules 46 – 55 Responsible Procurement: Rules updated to ensure departments consider the commitments of the Responsible Procurement policy and weighting when awarding contracts from external frameworks, waivers and exemptions. The minimum Responsible Procurement weighting for evaluation has increased from 10% of the technical envelope to 15% of the overall score in line with the new Responsible Procurement Policy approved by the Policy & Resources Committee in July 2022.
- Terminology throughout the Procurement Code has also been updated to reflect internal changes as a result of the TOM; reference to EU & OJEU has been replaced with the UK Find a Tender Service portal (FTS); and Project Sub Committee has been replaced with Operational Property and Projects Sub Committee.

### Increasing transparency and consultation in the planning process

28. The City of London Corporation recently consulted on a new [Statement of Community Involvement](#), which sets out the processes for how the Corporation will publicise planning applications and engage people as we develop new strategies and policy documents. The Corporation also published [draft Developer Engagement Guidance](#), setting out how we expect developers to undertake meaningful public consultation at the early stages as they develop proposals for new development. The Corporation has procured [Commonplace](#), a well-established online engagement software platform, and is setting it up to use on future planning consultations, particularly new planning guidance, the City Plan, and other projects run by the Planning Service. This will give stakeholders a single 'shop window' for planning consultations, with a user-friendly interface, and much more functionality to share ideas and give feedback online compared to traditional consultations.

### Risk Management

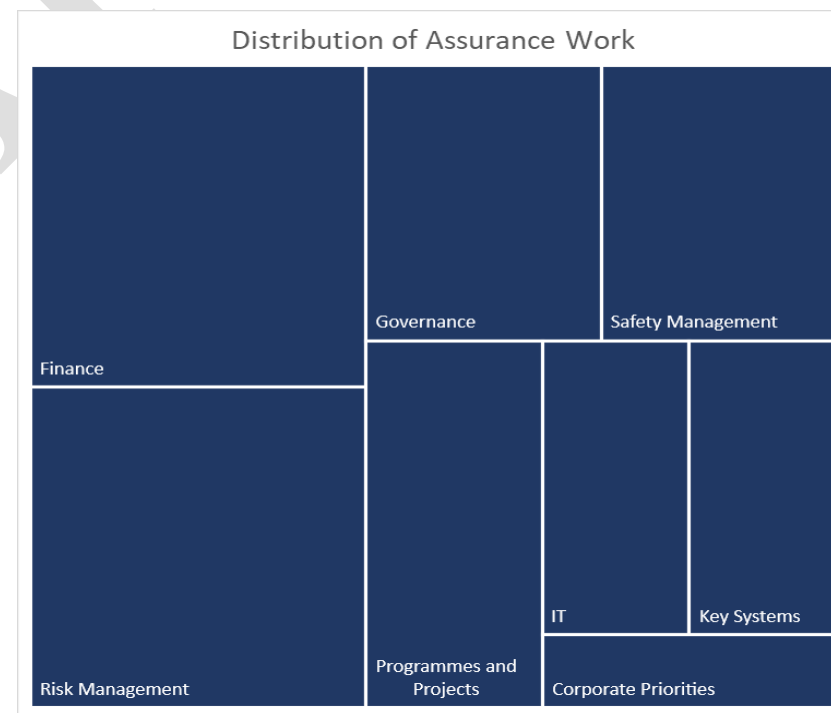
29. As part of the Target Operating Model (TOM), oversight of City Corporation risk management moved on 1 April 2022 from the Internal Audit Team to the Corporate Strategy and Performance Team (CSPT). This was to support City Corporation efforts to tackle and exploit current and future challenges through an integrated, professional and insight led approach to corporate strategy, planning, risk management and performance. Risk management officer governance structures were also reviewed and updated terms of reference issued for the Chief Officer Risk Management Group (CORMG) clarifying their role as senior officers accountable for oversight of risk management on behalf of the Executive Leadership Board (ELB). CORMG met regularly during this period, with risk reports issued to ELB on the management of corporate and top red departmental risks and developing risk areas. A key focus was work on risk management culture to ensure we had an agile and responsive approach to risk management, and that risk 'themes' were identified and managed across City Corporation. Training was arranged for officers in support of this, with more sessions due later in 2023. Risk appetite has separately been identified as a key deliverable for FY2023-24.

### Audit and Risk Management Committee

30. Risk management arrangements are reviewed annually by the [Audit and Risk Management Committee](#) which has a wide-ranging but focused brief that underpins the City of London Corporation's governance processes. The Committee continued to play an important and integral part in ensuring key risks were reviewed through regular risk updates and deep dives of corporate risks on a rolling basis. These corporate risk deep dives are now carried out by the Internal Audit Team to provide an additional level of assurance.

### Role of Internal Audit

31. Internal Audit has provided independent and objective assurance across a range of City Corporation activities and services.
32. The diagram opposite indicates the broad categorisation of assurance work within the Internal Audit programme of work.



33. For 2022-23 the Internal Audit work has been driven by an ongoing assessment of risk and priorities. In practice, this has resulted in a move away from a detailed 1 year audit plan, working instead to a rolling quarterly plan with a statement of intent for a further 6 months, this has proven to be a more agile and dynamic process and has enabled better prioritisation of resources. The Head of Internal Audit has worked with the full engagement and support of the Audit and Risk Management Committee, with updates provided to each Committee meeting. Internal Audit implemented a new approach to provide assurance in relation to the management of Corporate Risk, providing objective scrutiny and clear escalation of concerns to Senior Leadership and the Audit and Risk Management Committee.
34. In accordance with the requirements of the Public Sector Internal Audit Standards, an annual self-assessment has been undertaken and confirmed that the City Corporation's Internal Audit function conforms with the requirements of the standards. An External Quality Assessment will be undertaken to validate this review by the end of July 2023.

## **Key Governance Issues**

### **Health & Safety Review**

35. The Corporate Health, Safety and Wellbeing Committee met quarterly in 2022-23. The revised Terms of Reference were reviewed approved by the Committee in December 2022 to ensure the Committee is well placed and effective in supporting the City of London Corporation in meeting its health and safety aims and objectives going forward. In December 2022 a Corporate Health and Safety Business Plan setting the overarching direction of travel for health and safety management, including the Governance arrangements, was approved by the Corporate Health and Safety Committee. In December Internal Audit carried out an audit: 2022-23: Corporate Wide Review: Health & Safety – Second Line of Defence. In January 2023 a draft report was submitted to the Chief Operating Officer (Chair of Corporate Health and Safety Committee and Chief Officer accountable for the health and safety business function) and the Corporate Head of Health and Safety. It identified a number of issues on the operational effectiveness of the Corporate Health and Safety Committee, the extent to which health and safety risk are escalated for corporate attention, and level of assurance to the City's Board and Members. The COO and Chair of Health and Safety Committee and the Corporate Head of Health and Safety put in place a plan to address the audit issues and the approved plan is monitored by the Corporate Health and Safety Committee. The audit action plan will contribute to the workstreams outlined in the Corporate Health and Safety Business Plan.

### **Project Governance Review**

36. Following the implementation of the TOM and the creation of a new Project Governance Division, a review of corporate project governance has been initiated. The aims of the review are to ensure effective governance and assurance frameworks are in place to enable successful delivery of projects and programmes delivering best value for the Corporation. The review includes both corporate and major projects which are currently subject to separate governance processes. The review also includes consideration of corporate change (revenue funded) projects which are out of scope of existing governance arrangements. The following intended outcomes were agreed by the Executive Leadership Board and Members (at Operational Property and Projects Sub-committee and Policy and Resources Committee) at the outset of the review:
- The City Corporation is confident project and programmes represent best value and deliver the intended benefits
  - Project governance is risk-based and enables Members to focus on strategic issues and areas of high risk and/or value
  - Members are assured that lower risk/value projects are well managed and that an effective assurance framework exists to identify any potential issues or risks

- Officers are empowered to effectively manage the projects they are responsible for, to take prompt decisions to manage operational risks and, are enabled by corporate systems and financial processes
- The Corporation is clear on the role of the PMO ecosystem and its capacity to fulfil this role effectively
- The project delivery operating model represents value for money with a clearly articulated value proposition

An external consultancy was engaged to lead the initial review phase to ensure understanding of current issues, to identify areas of best practice and to recommend a future operating model. The initial review phase was completed in February 2023 recommending the move to an enterprise-wide portfolio management approach. The Corporation is now beginning detailed design work and the agreement of an implementation plan for delivery in FY2023-24.

## Equality Diversity & Inclusion

37. The City Corporation is driving forward Equality, Diversity and Inclusion (EDI) at all levels of the organisation. The new [EDI Sub-Committee](#), set up as per Lisvane recommendations, is led by elected Members and strengthens the EDI governance structure and sets the strategic direction for EDI.
38. From May 2021 to November 2022, City Corporation successfully led the Government-commissioned [Socio-Economic Diversity Taskforce](#) which delivered an industry consultation and roadmap to incentivise employer actions. The [Breaking the Class Barrier](#) report was published in November 2022. Taskforce output included the development of a membership body for financial services known as [Progress Together](#) and a productivity analysis to build the business case for socio-economic diversity at senior management levels.
39. The City Corporation ranked at 67 in the top 75 [Social Mobility Employer Index](#) in December 2022. Efforts to improve diversity and inclusion are also progressed through the City of London Corporation being signatories of charters and accreditations including Women in Finance, Stonewall Diversity Champions, Disability Confident, London Living Wage and the Social Mobility Employers Index. HM Treasury's [Women in Finance Charter](#) commits signatories to support the progression of women into senior roles in the financial services sector by focusing on the executive pipeline and mid-tier level. The City Corporation became a signatory in 2019 and committed to women comprising 45% senior management roles by March 2025. In March 2022, the figure stood at 43%. The Barbican Centre's draft Equality, Diversity and Inclusion proposal was approved by the [Barbican Board](#) in February 2023. It consolidates work delivered over the last two years and demonstrates the ongoing commitment to addressing discrimination of all protected groups in the workplace.
40. The City Corporation's Equality, Diversity, and Inclusion directorate leads on embedding EDI across the Corporation and its institutions. Work has taken place to increase employee engagement and enhance the employee voice, through hosting a [National Inclusion Week](#) Celebration event for the 7 staff networks, facilitating focus groups sessions and workshops with staff, attending and promoting Disability and Wellbeing Network (DAWN) and City of London Ethnicity and Race Network (CLEAR) events and initiatives, presenting at the launch of the Young Employees Network (YEN) in October 2022, and supporting City Pride's float in the [Lord Mayor's Show](#) in November 2022. A Staff Network Handbook and Terms of Reference was created to steer network co-chairs and leads on the purpose of staff networks, facility time, the role of sponsors and the importance of cross collaboration between networks. Implementation of a communications strategy including use of social media, broadcast events, flyers and event booking has increased staff engagement with staff networks. The 'Meet the Staff Network' February broadcast drew 117

attendees and 83% positive feedback. Departmental Equality Representatives meet regularly and departmental Dignity at Work Advisers provide support to staff and aid the organisation in being an employer of choice.

### Cost of living pressures and services

41. Recognising the growing cost-of-living pressures over the period, in response a multi-agency steering group was established to oversee immediate and long-term actions, in the areas of communications, targeting financial assistance, winter warmth, tackling food poverty, increasing income from employment and wellbeing, to support residents. Each month, following steering group meetings, an update on the action plan is shared with the Chairman of the Community and Children's Services Committee. A dedicated [cost of living](#) internet page lists the range of support available, including a food pantry initiative, a Green Doctors Scheme to help reduce energy costs and the targeting of the Household Support Fund. There is also focus on improving the maintenance and management of the City Corporation's housing provision, which will be taken forward through a Housing Strategy which is in development.
42. In November 2022, the City Corporation received a focused visit from [Ofsted](#) in line with the [inspection of local authority children's services \(ILACS\) framework](#). Inspectors looked at the arrangements for the 'front door', the service that receives contacts and referrals, and at decision-making about child protection enquiries, decisions to step down or step up from early help and child in need assessments. The inspectors found high-quality practice and responsive front door services, with the right support being delivered at the right time by highly skilled and committed practitioners. The visit also found that external quality assurance activity and oversight by the Achieving Excellence Board (AEB) provide additional scrutiny and assurance, supporting effective practice and decision making for children at the front door.
43. The Afghanistan Resettlement Programme continued to provide support to Afghanistan Refugees in the two bridging hotels in the City of London. During the year, many of these households were moved to permanent accommodation by the Home Office. In September 2022 one the bridging hotels was closed and in February 2023 the second one closed. Any remaining guests were moved to hotels in other parts of the country whilst they waited for permanent accommodation.
44. The City Corporation has also put in place local systems to support families and individuals seeking asylum and refugees, including those who fled the conflict in Ukraine. Information about support for Ukraine can be found on the City of London Corporation website [here](#).

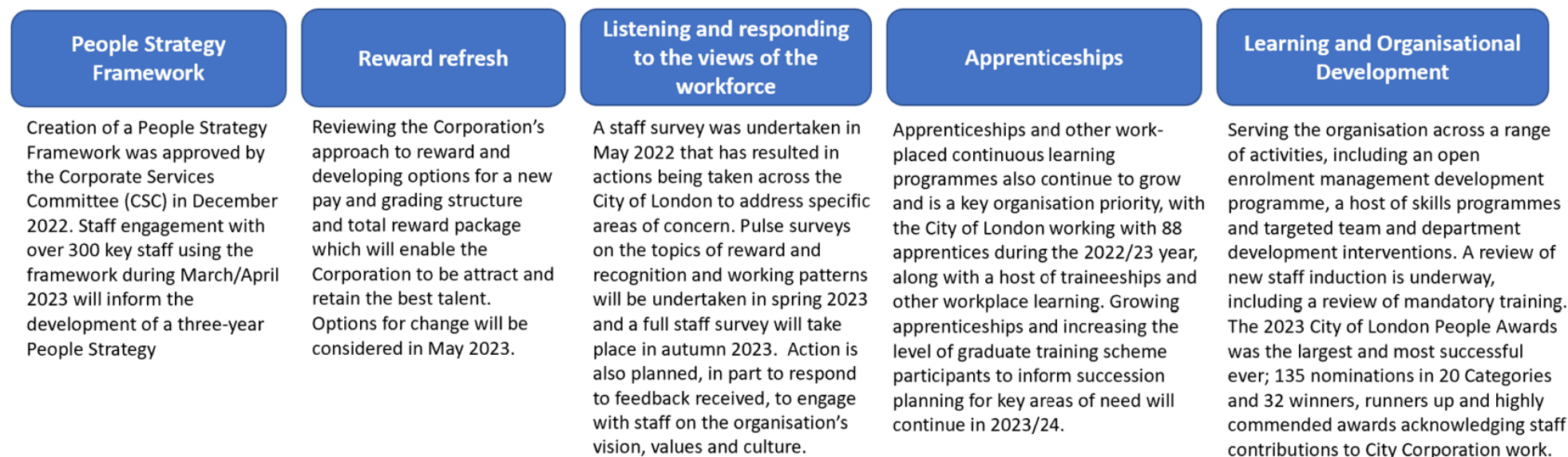
### Residents

45. [City-wide Residents Meetings](#) were held in the Guildhall in May 2022 and in the east of the City in the Artizan Street Library in January 2023. These meetings provide residents with the opportunity to ask questions or raise issues about living in the City to the [Policy Chairman](#) and senior officers from the City of London Police and the City Corporation. In response to feedback from residents, and reflecting the importance in which the City Corporation holds the relationships it has with them, more frequent opportunities for engagement with residents and other stakeholders are being arranged in different locations in the city. Increasing the number of residents and stakeholders meetings to four per year, and holding them in different areas to reach more people, is a key part of resetting the relationship, improving communications and enabling communities to hold the City Corporation to account for delivery.

### Responding as an employer of choice

46. The Corporation has a Corporate HR Function led by the Chief People Officer. Institutions also have their own HR functions who are professionally accountable to the Chief People Officer for all HR matters. The HR functions provide a range of services to the Corporation which are designed to ensure that leaders and the workforce are effectively supported and that the best talent can be hired, and the Corporation is an employer of choice. The work of the HR function is overseen by the Executive Leadership Board and Corporate Services Committee. The Corporation had an employee turnover rate of 18.69% at the end of 2022. This is a high and

is affected by factors including labour market shortages and high levels. Recruitment and Retention is a Corporate risk and plans to mitigate and address the risk is in place. To support this, additional funding has been provided to increase the capacity of HR function to support and enable Leaders and the Corporation to respond to these challenges through a range of measures which are set out below:



## UN Sustainable Development Goals

47. The [UN Sustainable Development Goals \(SDGs\)](#) provide a comprehensive framework for organisations to assess, understand and make a positive impact on the major issues impacting society, the environment, and the economy. As an organisation with reach locally, nationally, and internationally, the City of London Corporation is committed to working towards achieving the SDGs and supporting the [UN Global Compact](#) in its ambition to drive business awareness and action to achieve the SDGs. The City of London Corporation became a signatory to the UN Global Compact in December 2020 and as such is required to report a Communication on Engagement stating how it is supporting the [ten principles](#) – in the areas of human rights, labour, environment and anti-corruption - within two years of becoming a signatory and bi-annually thereafter. The City of London Corporation works collaboratively with a wide range of partners to inspire, develop and act on responsible business. It is committed to creating positive impact across its activities and decisions to ensure a sustainable future where individuals and communities can flourish, and the planet is healthier. Progress in these areas is communicated through key policies, such as the [Modern Slavery Statement](#), commitment to the [London Living Wage](#), and initiatives such as the [Lord Mayor's Dragon Awards](#), which recognise and celebrate businesses that are achieving excellence in social impact and inspire others by sharing best practice. In December 2022 The City Corporation submitted its [first Communication on Engagement](#)



[report](#) as a signatory to the UN Global Compact. An [Ethical Policy Statement](#), which sets in one document, the ethical and responsible principles and aims encapsulated in the City Corporation’s plans, activities and strategies, has been developed. It captures the City Corporation’s commitment to treating people fairly, being transparent and honest, respecting human rights and the environment and complying with the law and regulation.

## Becoming a data driven organisation

48. The City of London Corporation is embarking on a journey to become a data driven organisation, working with a partner to assess the current situation and recommend steps forward to bring value from our data. It is a Microsoft first organisation, with skills in PowerBI & Azure, some of which sit inside the Digital and Information Technology Services (DITS) division, and other skills spread across the organisation. A Data Maturity Assessment will drive a business case to support change which will focuses on key challenges that need to be solved, gap analysis of the current and desired position of the City Corporation while identifying good practises and ways to scale this across the organisation and institutions. DITS staff are being included in the future design of the service through regular communications and engagement.
49. Transfer of services from our managed service provider back in house or to alternative suppliers is continuing. Approximately 20 staff will be transferred through TUPE, which is to complete by August 2023. A new IT Service Management Tool has been provisioned and will continue to be enhanced to better exploit opportunities for automation and improved self service. Following on from the transition of IT services in house, DITS is relooking at what functions are required, if they should they be delivered in-house or by a partner and the optimal team structure to deliver these services. Corporation-wide engagement will enable users to co-design the future delivery model. There are IT Teams and functions and pockets of IT spend across the organisation. Work is in progress to examine functions that might be combined to and bring greater standardisation and sharing and provide a more effective and efficient IT service for the entire of the Corporation. There is a particular focus on Cyber Security where minimum security standards and a shared security operations centre are being investigated. DITS is deploying several new technologies across the organisation. The organisation will require support to adopt these new technologies, and to use them in an effective manner. DITS is investigating putting together a team that will focus on working across the organisation to assist with embedding these new technologies in the workplace.

## Target Operating Model

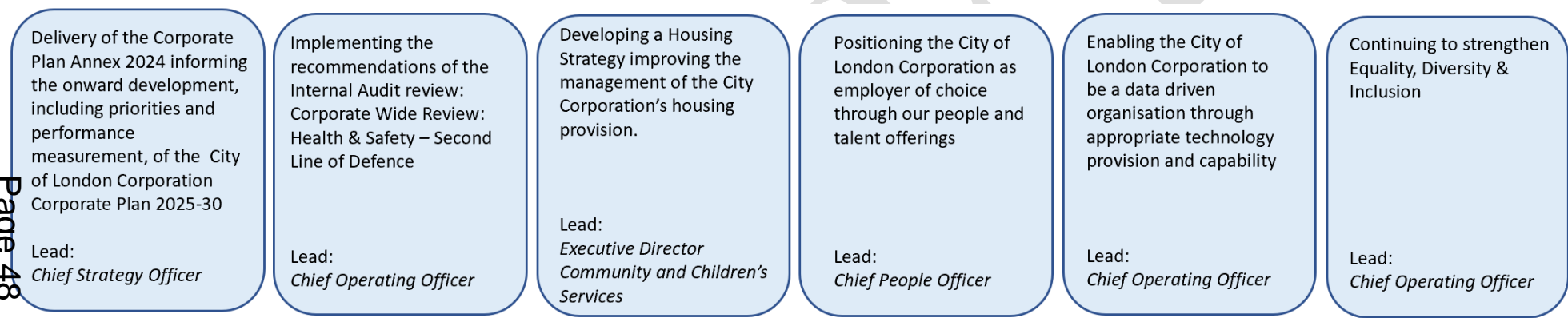
50. Implementation of the Target Operating Model (TOM) has continued, as have efforts to implement the budgetary reductions approved alongside the TOM. The programme was originally due to complete by the end of March 2022, when the TOM Programme Management team was stood down, however, due to its complexity and scale, this has taken longer, and is now anticipated to draw to a close by the end of 2023. Parts of the organisation are still due to develop their second phase of TOM plans (the first phase of plans referring to the completed Chief Officer level restructuring): City of London Police, Bridge House Estates and



Barbican. A small number of departments are currently mid-way through implementing their second phase of TOM plans, including Environment, City Surveyors, Chamberlains (for financial services), Chief Operating Officer (for Human Resources); Schools are mid-way through agreeing and signing off their phase two plans. Officer and Member governance continues to be provided through the Design Advisory Board, and relevant Committees. An [interim report on the status of the TOM](#), including detail on where savings have been made and what has been achieved to date went to Finance Committee (February 2023), Corporate Services Committee (March 2023) and Policy and Resources (March 2023). A final report will follow in summer 2023. The TOM programme, covering departmental restructures and associated savings requirements, are expected to finalise by the end of 2023.

### Accountability and Action Plans

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



52. This annual governance statement was approved by the City Corporation’s Audit and Risk Management Committee on 12 May 2023 (TBC).

Christopher Hayward  
Chair, Policy and Resources Committee  
Date: xx May 2023

Ilan Thomas  
Town Clerk and Chief Executive  
Date: xx May 2023



<b>Committee:</b> Audit and Risk Management Committee Finance Committee	<b>Date:</b> 12 May 2023 16 May 2023
<b>Subject:</b> Report of Action Taken	<b>Public</b>
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	<b>See background papers</b>
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
<b>Report of:</b> Deputy Town Clerk	<b>For Information</b>
<b>Report author:</b> Ben Dunleavy, Governance Officer	

## Summary:

This report provides details of a decision taken between Committee meetings. The decision was taken under urgency procedures for the Audit and Risk Management Committee, and under delegated authority for the Finance Committee.

## Recommendation

Members are asked to note the report.

## **Main Report**

### **Decision Under Standing Orders 41A and 41B – Outstanding Sundry Trusts Annual Report and Financial Statements 2021/22**

1. A request was sought from the Audit and Risk Management Committee and the Finance Committee for approval under urgency and delegated authority procedures of the Annual Reports and Financial Statements of the three remaining Sundry Trust charities for the year ended 31 March 2022.
2. The recommendation for the Audit and Risk Management Committee was to:
  - i) Note that the external auditor Crowe intends to give an unqualified audit opinion/ unmodified independent examiner's report for the two charities;
  - ii) Recommend approval of the annual reports of the 3 outstanding audited/ examined charities to the Finance Committee

The recommendation for the Finance Committee was to:

- (i) Note that the external auditor Crowe is anticipating giving an unqualified audit opinion on the audited charity annual report and that the independent examiner Crowe is anticipating giving an unmodified report for the independently examined charity annual report;
  - (ii) Consider the resolution from the Audit and Risk Management Committee and, if appropriate, approve the financial statements of the charities included at **Appendix 1** for the year ended 31 March 2022;
  - (iii) Delegate to the Chamberlain, in consultation with the Chairman and Deputy Chairman of Finance Committee, approval of any material changes to the statement of accounts required before the signing of the audit opinion/independent examiner's report by Crowe – which is expected in the coming days;
  - (iv) Approve delegated authority for the Chairman and Deputy Chairman of the Finance Committee to approve and sign the financial statements of the two audited/examined charities (CLS Bursary & Awards Fund and CLSG Bursary Fund incorporating the CLSG Scholarships and Prizes Fund) on behalf of the Court of Common Council.
3. Of the 15 Sundry Trust charities , 12 reports were presented for recommendation and approval in January 2023, but the final 3 were not presented due to staff shortages and subsequent prioritisation of workload This resulted in delays to preparation and as a consequence also to the auditors'/independent examiners' work.
4. The annual reports and financial statements for the three charities are attached at Appendix 1 to the report. They were not submitted to the Charity Commission by the required statutory deadline, which is noted on the relevant section of the Charity Commission website. In addition, 2 others were not submitted on time that had been previously recommended/approved by these Committees, where the auditors/examiners were not able to complete their work due to other priorities.
5. The audit/independent examination work is now substantially complete for all these charities. No major issues have been identified and on this basis we

understand that Crowe UK LLP (“Crowe”) currently intend to issue an unqualified opinion (audit) or unmodified report (independent examination) for each annual report, but some points of internal control will be raised in a future management letter that will be presented to the Committees.

6. An urgent decision was requested from the Audit and Risk Management Committee so as to allow the Annual Reports and Financial Statements to be recommended to the Finance Committee and ensure that there were no further delays in submission, due to the potential reputational risk associated with the public record of such delays. The Finance Committee had delegated authority for this decision at its meeting on 18 April.
7. Approval was accordingly given under urgency for the Audit and Risk Management Committee, and subsequently under delegated authority for the Finance Committee, by the Town Clerk in consultation with the relevant Chairs and Deputy Chairs.

**Ben Dunleavy**

Governance Officer E: [Ben.Dunleavy@cityoflondon.gov.uk](mailto:Ben.Dunleavy@cityoflondon.gov.uk)

**Background Papers**

‘Outstanding Sundry Trusts Annual Report and Financial Statements 2021/22’ Report of the BHE & Charities Finance Director (representing the Chamberlain) and appendices, approved on 19 April for the Audit and Risk Management Committee under urgency, and on 25 April for the Finance Committee under delegated authority

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<b>Committee(s)</b>	<b>Dated:</b>
Audit and Risk Management Committee	12/05/2022
<b>Subject: Head of Internal Audit Annual Opinion</b>	<b>Public</b>
<b>Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?</b>	<b>N/A</b>
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>N</b>
<b>If so, how much?</b>	<b>N/A</b>
<b>What is the source of Funding?</b>	<b>N/A</b>
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	<b>N/A</b>
<b>Report of: the Chamberlain</b>	<b>For Information</b>
<b>Report author: Matt Lock, Head of Internal Audit</b>	

## Summary

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

The following opinion is provided for the 12 months ended 31 March 2023:

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

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

## Recommendation(s)

Members are asked to:

- Note the report.

## **Main Report**

### **Background**

1. The Accounts and Audit Regulations 2015 came into effect on 1 April 2015 and require the City to undertake an effective Internal Audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account Public Sector Internal Auditing Standards and associated guidance.
2. The professional responsibilities of Internal Auditors are set out within the Public Sector Internal Audit Standards (PSIAS) produced by the Internal Audit Standards Advisory Board. Supplementary guidance is also provided by CIPFA in their “Local Government Application Note”.
3. The work of Internal Audit forms the basis of an Annual Head of Internal Audit Opinion which is part of the framework of assurances that is received by the City of London Corporation and helps to inform the Annual Governance Statement. Internal Audit also has an independent and objective role to support management in improving governance, control and risk management through the provision of advice and guidance.
4. This report summarises the overall outcomes from Internal Audit work during 2022/23. The report does not include detail in relation to the findings of individual audit reviews, as previously reported to the Audit and Risk Management Committee during the year as part of the routine Internal Audit Update reports.

### **Basis of Annual Opinion**

5. In forming an annual opinion, the Head of Internal Audit has considered:
  - Work completed by the Internal Audit team throughout the year, key issues arising from this and assurance opinions provided
  - Management responses to Internal Audit work, with particular attention to the acceptance of recommendations made to address significant issues (no exceptions reported)
  - Progress made by management in implementing Internal Audit recommendations
  - The effects of any significant changes in the City’s objectives, systems or external factors
  - Any limitations which may have been placed on the scope of Internal Audit (of which there were none)

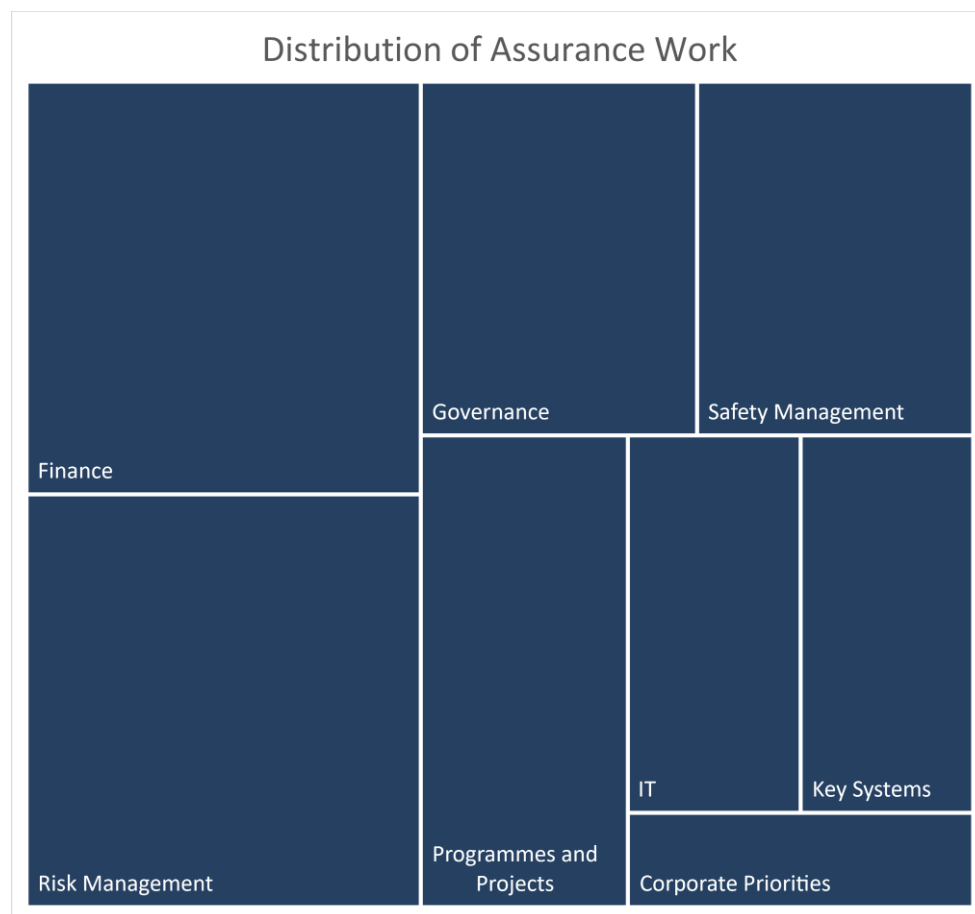
This report is supported, at Appendix 1, by a schedule of all Internal Audit work from 2022/23.

### **Head of Internal Audit Annual Opinion**

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

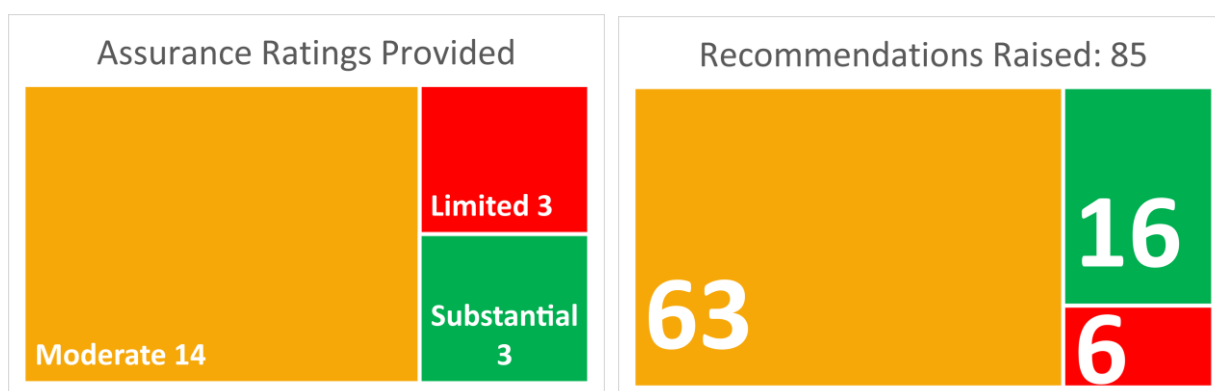
noted, however, that the Internal Audit function has been operating with a reduced level of resources, managing transition to the new operational structure of the team in accordance with the City of London Corporation's Target Operating Model review. Key components of this include managing vacancies following retirement and recruitment to new positions. The Internal Audit team was fully staffed for only the final quarter of the year and it should be noted that two of the recently filled positions are entry level apprenticeships.

7. The programme of Internal Audit work for 2022/23 was actively managed throughout the year to reflect the resources available and also to accommodate emerging priorities. Regular updates have been provided to the Audit and Risk Management Committee, covering outcomes from completed work and detail on the forward programme of work. A total of 20 final Internal Audit reports were issued in 2022/23, covering Finance, Key Systems, IT, Programmes and Projects, Risk Management, Safety Management and Corporate Priorities. The proportionate distribution is shown below.



8. Having considered the findings of completed Internal Audit reviews, there are no apparent themes other than that, in the main, issues raised relate to the consistent and correct application of internal controls rather than an absence of controls. It should be noted, however, that there is currently only limited data to support this hypothesis, a system of issue classification is being considered as part of an audit management system upgrade.

9. On the basis of work undertaken, **it is the Head of Internal Audit's opinion that the City of London Corporation has adequate and effective systems of internal control in place to manage the achievement of its objectives.** In giving this opinion, it should be noted that assurance can never be absolute and, therefore, only reasonable assurance can be provided that there are no major weaknesses in these processes or that no fraud exists within the systems and processes examined or, indeed, those not examined.
10. Notwithstanding the overall opinion, Internal Audit's work identified a number of opportunities for improving controls and procedures, set out in our Audit reports to management. The range of assurance levels provided in our audit coverage and the number of Red, Amber and Green priority recommendations made is summarised below.



11. While the number of individual Limited, Moderate and Substantial assurance ratings provided is key in forming the Head of Internal Audit annual opinion, there are other factors that must be considered: Responses from management to Audit reviews; the integrity of action/recommendation implementation plans and the timescales agreed for resolving issues raised. Internal Audit reports have been well received and management action plans have been suitably robust. It should also be noted that the current audit follow-up regime results in a prompt second look at the risks and issues raised and, in many cases, provision of a revised (and improved) assurance opinion.
12. Internal Audit have undertaken 53 follow-up reviews to verify the implementation of recommendations made, some of which have been 2<sup>nd</sup> or 3<sup>rd</sup> examinations of previously completed audits. As previously reported to the Committee, implementation of Audit recommendations is broadly satisfactory, there are currently only 19 recommendations that are not implemented at the point of 1<sup>st</sup> follow-up (i.e. in accordance with the original timescales agreed with management).



## **External Factors Having a Bearing on the Annual Opinion**

13. Financial pressures and organisational redesign have impacted the level of resource available for Internal Audit work. Priority has been given to work which most directly informs the annual opinion. It has also been necessary to consider the skills and experience of the team, in accordance with the Public Sector Internal Audit Standards.

## **Conformance with the Public Sector Internal Audit Standards**

14. The Public Sector Internal Audit Standards require an External Quality Assessment to be undertaken at least once every 5 years. Conformance with the standards is assessed as one of the following categories (defined in Appendix 2):
- Generally Conforms
  - Partially Conforms
  - Does Not Conform
15. The Standards require periodic self-assessment in the intervening years, this has been completed in March 2023 (later than planned) by the Head of Internal Audit, using the CIPFA “Checklist for Assessing Conformance with the PSIAS and the Local Government Application Note”. The self-assessment found that the Internal Audit function *Generally Conforms* to the standards. An External Quality Assessment (EQA) was scheduled to take place in quarter 3 of 2022/23, although this has been delayed owing to the capacity of the Internal Audit team to prepare the required information. The EQA is a validation based on the completed self-assessment and so there is no material impact of this delay, although it should be noted that it has now been a period greater than 5 years since the last EQA, which represents a point of non-conformance in itself (one of 135 criteria).

## **Corporate & Strategic Implications**

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

## **Conclusion**

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

## **Appendices**

- **Appendix 1** - Internal Audit Reviews Completed in 2022/23

- **Appendix 2** - Public Sector Internal Audit Standards – Definitions of Conformance Assessment

**Matt Lock**

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## Internal Audit Reviews Completed in 2022/23

Department/Audit	Original Assurance Rating	Recommendations Made		
		Red	Amber	Green
Corporate – Lessons Learned from the Pandemic	Moderate	n/a	n/a	n/a
Barbican Centre – Fire Safety	Moderate	1	5	1
Corporate – Climate Action Data Quality	Moderate	0	2	1
Community and Children’s Services - Timeliness of Housing Repairs	Moderate	0	5	1
Barbican Centre - P-Card Compliance Checks	Moderate	0	1	0
Corporate Wide - P-Card Compliance Checks	Moderate	0	1	0
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	Moderate	0	10	1
City of London Police and Police Authority - Governance Arrangements	Substantial	0	6	1
City of London Police - Transform Programme "Golden Thread"	Moderate	n/a	n/a	n/a
Corporate Wide - Major Projects Governance Arrangements - Markets Consolidation	Moderate	0	7	0
Guildhall School - Data Quality - Finance	Moderate	0	2	0
Chief Operating Officer - Compliance with Corporate Project Management Procedure	Limited	2	0	0
Guildhall School - P-Card Compliance Checks	Moderate	0	2	0
Corporate Health and Safety – Second Line of Defence	Limited	3	0	0
Barbican Estate - Key Controls	Limited	n/a	n/a	n/a
Guildhall School - Safeguarding	Substantial	0	3	2
Corporate - Data Protection – 2nd Line of Defence	Moderate	0	7	1
<b>Total</b>		<b>6</b>	<b>63</b>	<b>16</b>

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### Public Sector Internal Audit Standards – Definitions of Conformance Assessment

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<b>Generally Conforms</b>	The relevant structures, policies, and procedures of the internal audit service, as well as the processes by which they are applied, at least comply with the requirements of the section in all material respects.
<b>Partially Conforms</b>	The internal audit service falls short of achieving some elements of practice but is aware of the areas for development. These will usually represent significant opportunities for improvement in delivering effective internal audit.
<b>Does Not Conform</b>	The internal audit service is not aware of, is not making efforts to comply with, or is failing to achieve many/all of the objectives and practice statements within the section or sub-sections. These deficiencies will usually have a significant negative impact on the internal audit service's effectiveness and its potential to add value to the organisation. These will represent significant opportunities for improvement, potentially including actions by senior management or the Audit Committee.

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<b>Committee(s)</b>	<b>Dated:</b>
<b>Audit &amp; Risk Management Committee</b>	<b>12 May 2023</b>
<b>Subject: Anti-Fraud &amp; Investigations – 2022/23 Annual Report</b>	<b>Public</b>
<b>Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?</b>	<b>N/A</b>
<b>Does this proposal require extra revenue and/or capital spending</b>	<b>N/A</b>
<b>If so, how much?</b>	<b>N/A</b>
<b>What is the source of Funding?</b>	<b>N/A</b>
<b>Has this Funding Source been agreed with the Chamberlain’s Department?</b>	<b>N/A</b>
<b>Report of: Chamberlain</b>	<b>For Information</b>
<b>Report author: Chris Keesing, Counter Fraud &amp; Investigations Manager</b>	

## Summary

In total 52 investigations, across all disciplines have been completed during the reporting year with an associated value of £1,335,436. Whilst the value of these frauds is in the main notional, we identified recoverable amounts of £691,835, of which £636,251 has been recovered during the reporting year.

The team has had a strong focus on identifying cases where the use of Unlawful Profit Orders (UPO’s) and/or Proceeds of Crime Act (POCA) action can be taken, and this has resulted in increased recoverable amounts from our investigations during the reporting year.

Two face to face training sessions have been provided by the team during 2022/23, and have provided staff working in fraud risk areas with new skills to detect and prevent fraud, thereby mitigating the risk of fraud entering the system and impacting the City Corporation.

The Counter Fraud & Investigation Manager is taking a lead role for London Borough fraud teams in his capacity as Chairman of the London Borough Fraud Investigators Group on the use of the NFI London Fraud Hub to tackle the emerging fraud risk of agency and permanent staff working across multiple contracts simultaneously.

## Recommendation(s)

- Members are asked to note the report.

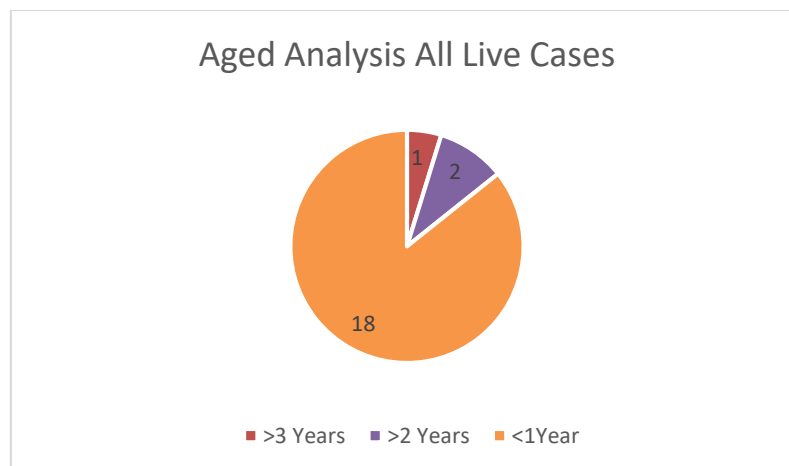
## Main Report

### Background

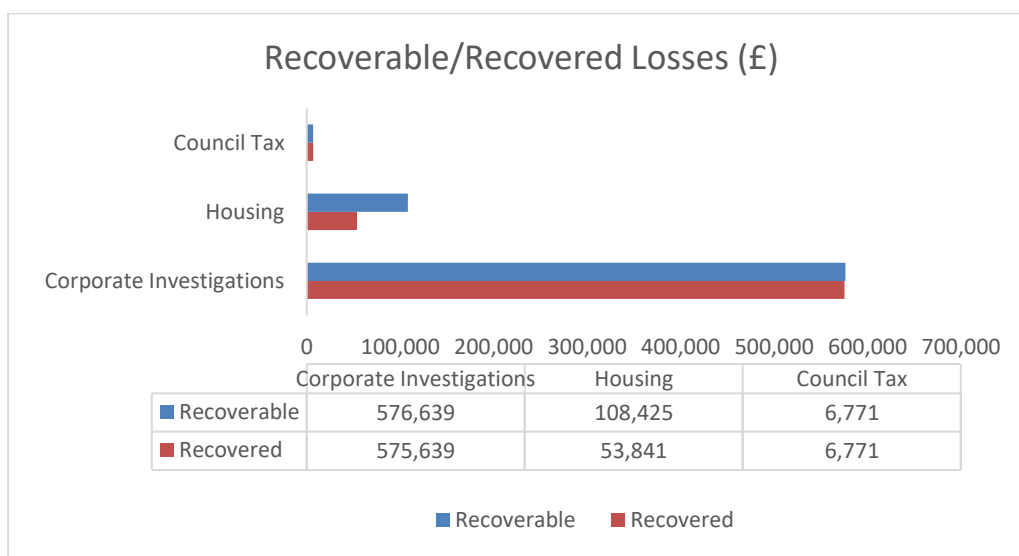
1. This report provides Members with an update on the activity of the Anti-Fraud and Investigation team during the 2022/23 reporting year. It also provides Members with an update against key anti-fraud initiatives, developments to assist in the prevention detection and reporting of fraud and any emerging risks.

## Investigation Activity Summary

- An analysis of the number of cases investigated during the 2022/23 reporting year compared to the 2021/22 reporting year can be found at Appendix 1 to this report, showing all fraud types along with the value of frauds detected. An aged analysis of all live cases has been summarised below; there are three cases open for more than one year, two cases involve criminal action where summonses have been issued and are awaiting progression in the courts; the final matter is a complex business rates evasion case where formal interviews have been arranged.



- The total associated value of identified fraud from the 52 completed investigations during this period amounts to £1,335,436. Whilst the value of these frauds is, ordinarily, in the main notional, we identified recoverable amounts of £691,835, of which £636,251 has already been recovered, with the remainder being recovered through court orders.
- The chart below provides a snapshot of recoverable losses vs recovered losses during the 2022/23 reporting year across applicable investigation types.





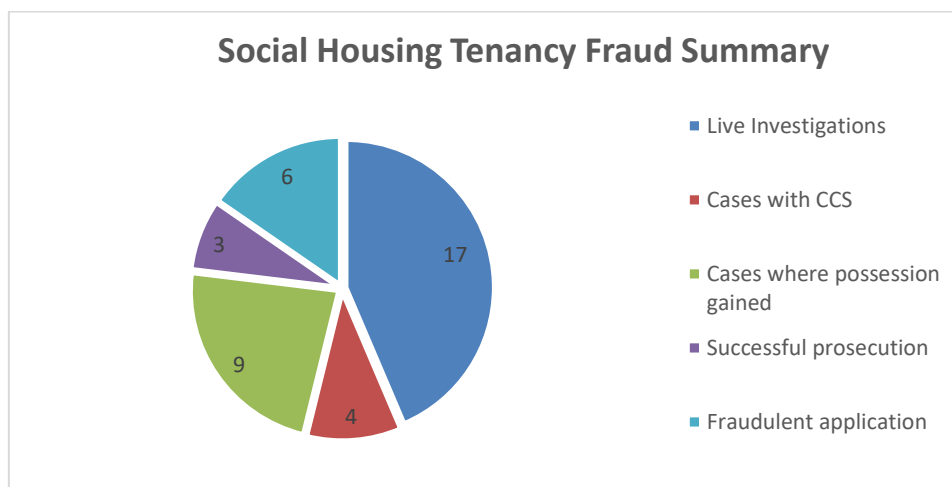
### **Corporate Investigation Activity**

5. Eleven corporate investigations have been completed during the reporting year with an associated value of £610,553. Corporate investigations relate to fraud, theft and misconduct allegations investigated by, or investigations supported by, the Corporate Anti-Fraud Team.
6. The team have recovered £576,639 from our Corporate Investigations during the reporting year, this almost entirely relates to a single mandate fraud with a value of £575,639. It should be noted that such a high value of corporate fraud is unusual and relates to a substantial mandate fraud attack during the year; the team do not expect such high values of corporate fraud to be an annual occurrence.
7. Two corporate fraud cases that had been referred to the City of London Police for further action have progressed; the first involved misuse of the Adison Lee taxi account for personal gain by an employee of another London Borough during the Covid pandemic, this has resulted in a criminal prosecution and recovery of the taxi journeys in full; the second relates to an email compromise fraud from of a corporate contract with the beneficiary of the fraud living in Manchester having been charged with offences under the Fraud Act 2006, and now subject to an arrest warrant for failure to attend court hearings.
8. Where applicable, management reports have been issued detailing the nature and findings from our corporate investigations along with recommendations to improve the control environment and mitigate future risks. A summary of noteworthy cases is included as Appendix 3 to this report.

### **Social Housing Tenancy Fraud**

9. The team provides a full investigative response across all aspects of housing, from initial applications to the investigation of civil and criminal tenancy breaches and right to buy screening. We consider social housing tenancy fraud to be one of the City's top fraud risks and as such have a dedicated resource to investigate all aspects of tenancy fraud.
10. The team has had an increased focus over the past year on ensuring that where tenants commit fraud and benefit from unlawful subletting, robust action is taken to recover any profits made using Unlawful Profit Orders or Proceeds of Crime Act Investigations, the later through a partnership with Croydon Council's Financial Investigators. This has resulted in the identification of £108,425 in recoverable fraud, of which £53,841 has already been recovered. The remainder is subject to court ordered timescales for recovery.
11. During the reporting year the team recovered nine tenancies, successfully prosecuted three defendants, and stopped six fraudulent housing applications from progressing. Four further cases are currently subject to criminal (2) and civil (2) action, of which both criminal cases are awaiting first hearings.
12. A detailed summary of our work in this area, during the 2022/23 reporting year vs the same period in 2021/22 can be found at Appendix 2 to this report and a

summary of noteworthy cases is included as Appendix 4. A snapshot of the tenancy fraud position at 2022/23-year end can be found below.



### Council Tax Fraud

13. The total value of Council Tax Single Person Discount (SPD) fraud identified and reported to the November Committee meeting has been revised down from £18,979 to £6,771 following successful appeals by rate payers who have provided evidence to support the position that they are sole occupiers of their dwellings. The Council Tax team have recovered the dishonestly claimed Council Tax SPD's in full.

### Whistleblowing

14. The City's Whistleblowing Policy identifies the Head of Audit as one of the main contacts for reporting a concern. Internal Audit is responsible for maintaining a confidential and secure register of all concerns raised through the Whistleblowing Policy.
15. The number of referrals received via whistleblowing channels is relatively low; however, when referrals are received, they are often of high significance leading to further investigation.
16. During the reporting year, two whistleblowing referrals (as defined in the policy) have been received and both have been successfully concluded, two further referrals received during the 2021/22 reporting year have also been concluded during the year. There are no outstanding whistleblowing concerns at the point of drafting this report.
17. The table below provides an overview of the allegation and outcome of the four completed investigations:

Allegation		Outcome
1	Allegation of corruption in the authorisation of pay for hours not worked by an agency staff member that was married to a permanent	A management investigation supported by Internal Audit found that the CoL employee had authorised overtime payments for their partner, and that overtime hours claimed for had been

	employee managing the applicable service.	authorised, even though the agency worker had not worked the requisite 35 hours within the week of the claim. At a disciplinary hearing the CoL employee was given a final written warning. Internal Audit reviewed the service area following investigation making a number of recommendations to improve the control framework and practices in place.
2	An employee raised concerns about the employment of consultants and money being spent on Consultancy for the EDI programme. The concern also suggested unfair recruitment of consultants outside of the expected recruitment and selection process, resulting in an unfair award of business to friends and family.	Review undertaken by the Head of Audit, which found that the engagement of the primary consultant did end up being in breach of the Procurement Code and Officers could have handled this better, it was as a result of the need to extend the contract and the short time available to do this meant that it perhaps wasn't managed with Members and procurement colleagues as we would like/expect. It was found that the consideration of VFM at the outset was poor/limited but, retrospectively, the department were able to describe the value that they derived from this.
3	Report of observed inappropriate behaviour towards women in the workplace	Matter discussed with the whistleblower, there were no other employees who had reported the concerns and despite assurances as to the confidential nature of whistleblowing concerns, no evidence, other than hearsay evidence could be provided, and no direct reports were received. It was agreed that the Head of Audit would discuss further with the Chief Operating Officer, who agreed to take forward directly with the relevant Chief Officer to ensure that there was knowledge of the concern within the department, and that the employees' behaviour could be monitored.
4	Allegation that two senior managers were offered, and accepted, hospitality from a supplier in breach of the Conflict-of-Interest Policy.	The concern was investigated by Internal Audit with formal interviews held. During the interviews, both employees admitted attending the event in question but gave differing reasons why and about their knowledge of the Conflict-of-Interest Policy, their responsibilities under the Policy and their need to record any instances. The findings were reported to the relevant Chief Officer who agreed with the Internal Audit findings that attending the event did constitute hospitality and that this is exceeded the thresholds set out in the Corporate Policy and that the employees should have declined the invitation. The employees were warned about their behaviour, asked to familiarise themselves with the Corporate Policy and requested to retrospectively book annual leave for the day in question

## **Training**

18. The Counter Fraud & Investigation Manager has delivered two face to face training events during the reporting year; the first was a joint session in February 2023 with the Transactional Finance Team Managers designed to upskill AP & AR staff to identify and respond to mandate fraud, how to identify and spot the red flags and the appropriate action to take. This session was well received and there have been no successful mandate fraud incidents since delivery of the training in February 2023.
19. The second training event was delivered to 20 housing staff across working across the City's social housing estates, this included a tenancy fraud awareness and knowledge session delivered by the Counter Fraud & Investigation Manager, a document and ID fraud awareness session delivered by colleagues from the Home Office and a Q&A with a Chief Immigration Officer about how to identify and respond to any immigration concerns and how support can be obtained. A feedback form completed by delegates following the event found that all staff enjoyed the training day, considered that the knowledge of the trainers was excellent, and most felt that they would be able to put their learning in to practice in their day-to-day work.

## **NFI London Fraud Hub & Emerging Fraud Risks**

20. Since the City joined the NFI London Fraud Hub in January 2022, a further 17 London Boroughs have onboarded, with a further four in the process of joining. The hub allows London Boroughs to share data for the prevention and detection of fraud, whilst providing unlimited access to the NFI AppCheck to enable the City to undertake increased due diligence across relevant service areas to identify fraud. AppCheck is currently being used by HR colleagues in the recruitment process to assist in the verification of information provided during an application for employment, by housing staff to verify data provided on housing applications prior to tenancy inspections, and as part of any income recovery activity when bad debts have been identified, and finally by staff processing blue and red badge applications to verify the information provided prior to the issue of disabled parking permits. The team continues to engage with departments to identify further scope for the rollout of the AppCheck product to support with officer due diligence.
21. The Counter Fraud & Investigation Manager has taken a key role across London to progress an initiative through the London NFI Fraud Hub to identify and tackle the emerging fraud risk of agency and permanent staff working across multiple contracts simultaneously. This fraud risk offers the opportunity for significant financial benefit, and is a growing risk not only to the public purse, but also to the risks of misuse and/or theft of data and/or intellectual property. The hub provides London Boroughs with a mechanism to match both agency and employee data securely and under an existing legal gateway through the Local Audit & Accountability Act 2014. We have now consulted with the Public Sector Fraud Authority, the Information Commissioners Office, the recruitment agencies providing temporary staff to London Boroughs and the company providing the fraud hub solution. We are currently seeking independent legal advice that we can share with our recruitment agency partners and we expect to be in a position to ingest agency and establishment data into the fraud hub

from July this year with the aim of refreshing the data within the hub on a quarterly basis to provide ongoing fraud detection and prevention through proactive matching and publicity of the initiative.

### **Corporate & Strategic Implications**

22. The work of the Team is designed around preventing and detecting fraud risks 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 emerging fraud risk of agency and/or permanent staff working across multiple contracts is an emerging risk that we are working across London to tackle through our investment in the NFI London Fraud Hub with the City's Counter Fraud & Investigation Manager taking a key and leading role in his capacity as the Chairman of the London Borough Fraud Investigators Group, to develop and launch the initiative. 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**

23. The team continues to perform strongly, identifying and responding to fraud referrals and fraud risks, whilst ensuring that face to face training is delivered with measurable benefits in high-risk areas across the organisation to empower front line staff to identify and tackle fraud risks impacting the City at the point of application/contact. The recovery of properties lost to fraud enables the City to provide good quality, affordable housing to those in the greatest need.

24. A strong focus during the 2022/23 reporting year has been on ensuring that criminal benefits are recovered for the City through the use of Unlawful Profit Orders and Proceeds of Crime Act investigations, with this activity resulting in the recovery of £636,251, with a further £54,584 subject to court orders and expected to be recovered in due course.

### **Appendices:**

- **Appendix 1 – Analysis of the number of cases investigated during the 2022/23 reporting year vs the 2021/22 reporting year**
- **Appendix 2 - during the 2022/23 reporting year vs the 2021/22 reporting year**
- **Appendix 3 – Corporate investigations summary**
- **Appendix 4 – Social housing tenancy fraud investigations summary**

### **Contact:**

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## Appendix 1 - Analysis of the number of cases investigated during 2022/23 vs 2021/22.

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

Activity	Completed Investigations 2022/23	Investigation Value (£'s) 2022/23		Completed Investigations 2021/22	Investigation Value (£'s) 2021/22
<b>Social Housing Tenancy Fraud</b> <sup>1</sup>	12	715,512 <sup>(N)</sup>		7	417,382 <sup>(N)</sup>
<b>Right to Buy</b> <sup>2</sup>	0	Nil		0	Nil
<b>Housing Application Fraud</b> <sup>3</sup>	6	Nil		4	Nil
<b>Blue Badge Fraud</b>	4	2,600 <sup>(N)</sup>		0	Nil
<b>Corporate Investigations</b> <sup>4</sup>	11	610,553		9	40,018
<b>Council tax investigations</b>	15	6,771		6	2,663
<b>Whistleblowing Referrals</b>	4	Nil		5	Nil
<b>Total</b>	<b>52</b>	<b>1,335,436</b>		<b>31</b>	<b>460,063</b>

### Notes:

<sup>1</sup> 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.

<sup>2</sup> Right to Buy uses true discount value £112,300 per property.

<sup>3</sup> 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.

<sup>4</sup> Corporate Fraud Investigations include cases of fraud, corruption, theft or conduct investigated directly by the Internal Audit Counter Fraud Team, and/or a management investigation supported by Internal Audit.

<sup>(N)</sup> Denotes Notional Costs

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## Appendix 2 – Housing Tenancy Fraud Caseload Analysis 01/04/2022 to 31/03/2023

Housing Tenancy Fraud Case Referrals	01/04/2022 to 31/03/2023	01/04/2021 to 31/03/2022
Housing tenancy fraud referrals received in current year	38	52
Right to buy referrals received in current year	21	20
Housing application referrals received in current year	8	9
Cases carried forward from previous year (all disciplines)	34	34
<b>Total</b>	<b>101</b>	<b>115</b>
Cases/referrals currently under investigation	17	23
Cases/referrals closed with no further action	62	77
Cases with Comptroller & City Solicitor for prosecution <sup>1</sup>	2	2
Cases with Comptroller & City Solicitor for civil recovery <sup>1</sup>	2	2
Cases where successful possession gained <sup>3</sup>	9	6
Cases where successful prosecution action taken	3	1
Cases where fraudulent application identified <sup>2</sup>	6	4
Dishonest Right to buy fraud identified	0	0
<b>Total</b>	<b>101</b>	<b>115</b>
<b>Total value of losses to the public purse from social housing tenancy fraud<sup>3</sup></b>	<b>£715,512<sup>(N)</sup></b>	<b>£417,382<sup>(N)</sup></b>
<b>Notes:</b> <sup>1</sup> 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. <sup>2</sup> Fraudulent application includes housing register applications, dishonest succession applications and mutual exchange applications denied. <sup>3</sup> 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. <sup>(N)</sup> Denotes Notional Costs		

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## Appendix 3 – Corporate Investigations Case Studies 2022/23

### Mandate Fraud

A referral was received from the Head of Transactional Finance, advising that the City had been subjected to a mandate fraud following an email compromise fraud requesting that all payments are now made to an alternative bank account. The fraud had been successful after an employee in the transactional finance team had failed to follow due process and amended the supplier bank account details without independently verifying the change of account request with the supplier by telephone, using known, or open source searched contact details.

The investigation found that an email purporting to be from a supplier in respect of a development project containing an invoice for £575,639 had been received by the Accounts Payable team, it had been shared between staff working in the team for further actions, the email requested a change of bank account data for the supplier. The email communication contained a number of red flags that were missed and should've prevented the change of account being processed, these included the following:

- The letter was titled 'wire instruction letter' – this terminology is uncommon in the UK and should have raised a concern.
- The sort code contains an additional digit and as such would be invalid.
- The language used was poor in places.
- The alleged author of the emails signed off as an Accounts Payable Clerk, working for the supplier and then in later emails had the job title of Chief Financial Officer.
- The supplier landline phone number quoted was a UK mobile number.
- The supplier mobile number quoted was a foreign mobile number, starting in +20, the dialling code for Egypt.
- The date stamp is in a text box.
- The document metadata shows that a programme called PDF Escape has been used to edit the original and legitimate supplier invoice by the imposter to create this change of account letter.
- The email addresses used by the imposters as part of this fraud contained very minor changes to make them appear genuine, these should've been identified on closer inspection.

The Counter Fraud team worked with the Corporate Treasury team to isolate this payment with the City's bank, Lloyds and the receiving bank, HSBC; we also made pre-order enquiries under Proceeds of Crime Act legislation and identified that the full amount was still being held in the receiving HSBC account, and had not yet been moved; we ensured that a fraud marker was placed on this account and credit whilst liaison with Lloyds continued and requested that the payment was frozen by HSBC and any movement could potentially be treated as money laundering.

The matter was reported to the City of London Police who undertook a criminal investigation with the support of the City's Counter Fraud Team. The investigation found that the imposter had set-up new internet domains to appear to look like the supplier; IP data was scrutinised, and this identified that the fraud was perpetrated in the USA. Owing to the fact that the City had successfully frozen the funds and was arranging recovery, and that the perpetrators were

## **Appendix 3 – Corporate Investigations Case Studies 2022/23**

in the USA and outside of Police jurisdiction, the Police closed their case with no further action.

The payment made was recovered in full, and following conclusion of this investigation 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.

Similarly, 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").

### **Agency Staff Multiple Contract Fraud**

A referral was received from a CoL manager, following contact with another public sector organisation alleging fraud with an agency staff member. The agency worker, who was a professionally qualified professional and working on a contract basis for the City of London since December 2021, applied for a placement in a professional role with the other organisation in July 2022. The CV she supplied to the employment agency falsely stated that her CoL placement was coming to an end at the end of July 2022. Despite a manager at the other organisation wishing to interview her in person she was only available for a Teams interview, which was consistent with a lunch break.

Her placement with the other organisation commenced in August 2022 and most contact was online via Teams. The agency worker only attended the office three times, saying she was unable to attend due to childcare.

The agency worker continued with her placement with the CoL, and this was discovered after a phone call between her manager and a counterpart at CoL. She was expected to work similar core office hours at both organisations. The workers placement at both organisations were terminated in November last year.

The worker had been submitting weekly online time sheets stating that she had completed 37 or 37.5 hours' work for the other organisation. The hourly rate paid was £92.07. The total amount paid to the agency by the other organisation totalled £30,153. During this period, she submitted timesheets claiming to have worked 4 or 5 full days each week for CoL at a similar hourly rate, and £25,022 was paid to the agency.

In both organisations the worker held a position of responsibility for public funds and had access to financial systems. The worker attempted to mask the multiple working contracts by working for the other organisation under a Ltd Company basis.

## **Appendix 3 – Corporate Investigations Case Studies 2022/23**

The matter was reported to Action Fraud, who are taking no further action, it was further reported to the workers professional body who are investigating the complaint made about the fraud.

If the fraud had gone undiscovered the annual earnings across both contracts would have been worth over £215,000.

### **Misuse of Addison Lee Account for Personal Gain**

This matter was referred to the Counter Fraud Investigation team by colleagues in the Town Clerks Business Management team who had been reviewing the journeys billed against the City's Addison Lee account as part of the pan-London response to the Covid Pandemic.

The City opened up its Addison Lee account to employees of partnership organisations to ensure that they could safely get to and through the pan-London response HQ during the pandemic. Upon review of the journeys, it was identified that a high number of journeys had allegedly been made by an employee at Camden Council; we worked with colleagues in Camden's Counter Fraud Team who engaged with the employee who denied that they had made the journeys. Further investigation found that this employee had been subject of an attempt to frame them with the journeys by a former Camden employee who had fallen out with the worker when they both worked together.

Working with Addison Lee we identified detailed journey data, IP data and telephone contact data and established the owner of the device used to book and make the journeys through regulated enquiries with communication providers under the Regulation of Investigatory Powers Act. We further found that the destination address was very close to the individuals home address providing further evidence to support our investigation. A full examination of journey data found that a total of £739.50 was fraudulently spent on journeys by the employee who was interviewed under caution by colleagues from the City of London Police.

The employee was eventually charged with Fraud by False Representation under the Fraud Act 2006 and pleaded guilty at Westminster Magistrates Court to the offences at the first opportunity, the defendant was sentenced on the same day and ordered to repay the City in full in compensation for the misuse of the Addison Lee account and was fined a total of £1,117.50. The compensation has since been repaid in full to the City of London.

Tighter controls have since been implemented around the booking of journeys on the City's Addison Lee account.

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## **Appendix 4 – Social Housing Tenancy Fraud Case Studies 2022/23**

### **Sole tenant at McAuley Close on Southwark Estates.**

Sole tenant on Southwark Estates since January 2015. The tenant failed to respond to Tenancy Audit undertaken to establish current circumstances of tenants living arrangements. This matter was referred to the Counter Fraud & Investigations Team, where initial credit and financial checks linked tenant and a probable partner to an address in Wales owned by the partner. Two other persons were found to be linked to the City's social housing address in the same period.

Further checks via council tax and social media enquiries suggested that tenant had moved to different properties in Wales, and was now living with her husband at the address he owns. Additional enquiries found that our tenant was working as a dentist. New addresses were identified for two persons previously linked to the City's social housing address and contact was made with them and witness statements obtained, we established that they were both former sub-tenants who had paid rent to the tenant and her partner via bank transfer whilst living at the social housing property for two years, during the period that our tenant was living in Wales. Attempts were made to interview both the tenant and her partner under caution on separate dates. Both attended, but following pre-interview disclosure to their legal representatives, they were advised to refuse the opportunity of an interview to provide their accounts and any mitigation.

At Inner London Crown Court the tenant, who had no previous convictions, pleaded guilty to the offence of fraud contrary to section 4 of The Prevention of Social Housing Fraud Act 2013. Financial penalties were imposed on her. She was ordered to repay the amount gained from the offending through an unlawful profits order (UPO), a sum of £13,125.60, and given six months to repay. The tenant was also fined £1,000 and ordered to pay £1,000 towards the Prosecution costs within six months. The defendant has repaid this UPO in full.

### **Sole tenant at Isldeden House, Sheltered Housing Property**

This case was highlighted by the National Fraud Initiative as a case where the tenant was identified as owning a property. Our enquiries found that the tenant failed to declare ownership of a property in Islington that he had purchased from Islington Council under the right to buy scheme, many years before being making his application and being awarded a tenancy with the City. After being awarded the City's tenancy, the tenant went on to rent this property out to other persons from the date he became our tenant. The fraud had afforded him considerable financial benefit ever since, a criminal benefit figure of £86,620.40. At formal interview, the tenant made a full and frank admission of the offence, stating that he was lonely and wanted to be around persons of his own age. He had claimed to be renting his property from his son, who himself privately owned an adjacent property in the same block. The tenant provided false tenancy agreement documents and made false declarations in his application.

Following formal interview, the tenant relinquished possession of the property immediately and pleaded guilty to charges contrary to Section 1 of the Fraud Act 2006. He was given 6 months imprisonment, suspended for two years and a three-month electronic curfew (tag)

## **Appendix 4 – Social Housing Tenancy Fraud Case Studies 2022/23**

between 10pm and 6am. Under POCA (Proceeds of Crime Act 2002) powers the tenant was ordered to pay a confiscation order to the value of £91,480, to be paid in 3 months. To this point he has paid £39,566.81, whilst the court has granted a three-month extension to allow the defendant to pay the balance.

### **Sole tenant at Petticoat Tower on Middlesex Street Estate**

Sole social housing tenant from 09/09/2019 until 26/06/2022. An investigation into the tenants social housing tenancy commenced after concerns were raised about another lady seen at the property by Estate Management. Intelligence checks revealed a new linked address for the tenant, indicating she was living at this property with her partner, the father of her children. Investigation Officers visited the City's social housing property and spoke to another lady at the property, who was herself paying another lady to reside at the address. It transpired that this person was a sub-tenant herself.

A witness statement was obtained from the sub-tenant who provided a copy of the tenancy agreement she had with the tenant and a chronology of rent payments made via bank transfer to her. The circumstances were explained to the sub-tenant who and the lady residing at the address left as did the sub-tenant soon after. The sub-tenant was paying monthly rent to the tenant of £1,200 per month. The tenant was failing to pay her social housing rent and arrears were escalating, therefore all the income she received from the sub-let arrangement was unlawful profit. This totalled £3,300. The tenant was interviewed under caution and admitted to the offence of unlawfully sub-letting. She vacated the address, relinquishing the tenancy soon after.

Tenant pleaded guilty to a breach of section 1(2) of the Prevention of Social Housing Fraud Act 2013. £3,300 unlawful profit order, £120.00 fine, £34.00 Victim surcharge, £185.00 costs. Due to low income.

### **Sole Tenant, Cullum Welch House on Golden Lane Estate**

Investigation commenced into a sole tenancy at property on the City's Golden Lane Estate. The now former tenant was identified as owning another property through National Fraud Initiative data matching. Initial credit reference agency and financial checks revealed a link for the tenant with an address in North London, via a mortgage arrangement. A Land Registry search confirmed that the tenant jointly owned this property, although she was not liable for Council tax at the address and the majority of her links remained at her social housing property where she was liable for Council tax. No other persons were identified as being linked to the social housing address, so no indication of sub-letting. The tenant was Interviewed Under Caution and accompanied by a Legal Representative. The tenant argued throughout the interview that she had assisted a friend with a poor credit history in obtaining a mortgage at the property but had no financial interest. The tenant provided evidence that her friend was solely responsible for the mortgage and said that she intended now to have her name removed from the deeds.



## **Appendix 4 – Social Housing Tenancy Fraud Case Studies 2022/23**

However, the tenant had failed to declare property ownership on her housing application and a later census form and had also failed to declare any connection via mortgage arrangements on both forms. There is also ample space on the forms to explain any personal circumstances and nuances, so the Housing Allocations team can decide on eligibility. Following interview, the tenant agreed to relinquish possession of the property and it has now been allocated to someone in more genuine need of social housing.

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<b>Committee(s):</b> Audit and Risk Management Committee	<b>Dated:</b> 12/05/2023
<b>Subject:</b> Risk Management Update	<b>Public</b>
<b>Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?</b>	<b>N/A</b>
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>N/A</b>
<b>If so, how much?</b>	<b>N/A</b>
<b>What is the source of Funding?</b>	<b>N/A</b>
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	<b>N/A</b>
<b>Report of:</b> Chief Strategy Officer	<b>For Information</b>
<b>Report author:</b> Tabitha Swann, Head of Corporate Strategy and Standards	

## 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 January 2023. 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 attached to this report.
- That the total number of corporate risks remains at 15, with the following changes to the risk ratings:
  - **CR38 Unsustainable Medium Term Finances – City's Cash has reduced from Red 24 to Red 16** (impact major 4 x likelihood likely 4)
  - **CR35 Unsustainable Medium Term Finances – City's Fund has reduced from Red 24 to Amber 12** (impact major 4 x likelihood possible 3)
  - **CR21 Air Quality has reduced from Amber 13 to Amber 6** (impact serious 2 x likelihood possible 3)
- **CR37 Maintenance and Renewal of Physical Assets** has been reviewed to reflect Barbican and Guildhall School of Music and Drama risks in this area.
- That the number of red departmental risks has increased by one to 26 with the addition of four risks to the register since the last written update and the de-escalation of three risks to service level.

## 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 Officers Risk Management Group on 25 April 2023 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 of 2 May 2023 compared with 27 February 2023 (the figures last seen by the Committee).

Risk rating (RAG)	May 2023	Feb 2023	Difference
Red	71	69	+2
Amber	276	265	+11
Green	121	122	-1
Total	468	456	+12

Table 1: May 2023: Overall Risk Numbers by RAG Rating on Pentana

4. Table 2 below shows the breakdown of the red, amber and green rated risks by risk level as of 2 May 2023 compared to 27 February 2023.

Risk rating	Red		Amber		Green	
Risk level	May 2023	Feb 2023	May 2023	Feb 2023	May 2023	Feb 2023
Corporate	4	5	11	10	0	0
Departmental	26	25	104	87	24	22
Service	41	39	161	168	96	99
Team	0	0	0	0	0	0
PPM	0	0	0	0	1	1
Total	71	69	276	265	121	122
Difference	+2		+11		-1	

Table 2: May 2023: Breakdown of RAG Risks by Risk Level

### Corporate Risks

5. The Committee receives the full risk register of all corporate risks at their first meeting of the new civic year, rather than a shorter report focusing on risks above appetite. This risk register can be found at Appendix 1.

























6. There are currently 15 corporate risks on the corporate risk register (4x Red, 11x Amber). The number of risks remains the same as when the Committee last received an update, however, the following risks have reduced their risk ratings:

- **CR38 Unsustainable Medium Term Finances – City's Cash has reduced from Red 24 to Red 16** (impact major 4 x likelihood likely 4) following approval of the 2023/24 City's Cash five-year financial forecast by Court of Common Council in March 2023. Further attention is needed on the long-term financial plan, with forecasts showing a requirement to drawdown on financial instruments, which is why the risk remains at Red.
- **CR35 Unsustainable Medium Term Finances – City's Fund has reduced from Red 24 to Amber 12** (impact major 4 x likelihood possible 3). This is due to the increase in the Business Rates Premium and the approved council tax increase. Contingency measures have also been adopted to mitigate 2023/24 pressures.
- **CR21 Air Quality has reduced from Amber 13 to Amber 6** (impact serious 2 x likelihood possible 3). This reflects work on the mitigating actions with 94% of the publicly accessible area meeting the target level for nitrogen dioxide in 2022. Levels of nitrogen dioxide increased slightly in 2023 as we emerged from the pandemic but are significantly lower than pre-pandemic.

7. The highest scoring corporate risks - 1x Red 24 (8x3 impact extreme, likelihood possible) and 3x Red 16 (4x4 impact major, likelihood likely) - are:

- CR16 Information Security – Red 24
- CR37 Maintenance and Renewal of Physical Assets – Red 16
- CR38 Unsustainable Medium Term Finances City's Cash – Red 16
- CR39 Recruitment and Retention – Red 16

8. Table 3 below shows a summary of all CoLC corporate risks as of 2 May 2023.

Risk code	Risk Title	Current risk score	Risk score indicator	Trend icon	Flight path (12 assessments)	Risk creation date (Pentana)	Year risk added to register
CR16	Information Security (formerly CHB IT 030)	24				10-May-2019	Pre-Pentana (2014)
CR37	Maintenance and renewal of Physical Assets- Investment property and Corporate (operational) property (excluding housing assets)	16				04-Nov-2019	2022
CR38	Unsustainable Medium Term Finances - City's Cash	16				31-Oct-2022	2022
CR39	Recruitment and Retention	16				21-Feb-2023	2023
CR01	Resilience Risk	12				20-Mar-2015	Pre-Pentana (2014)
CR02	Loss of Business Support for the City	12				22-Sep-2014	Pre-Pentana (2014)
CR29	Information Management	12				08-Apr-2019	Pre-Pentana (2014)
CR30	Climate Action	12				07-Oct-2019	2019






















Risk code	Risk Title	Current risk score	Risk score indicator	Trend Icon	Flight path (12 assessments)	Risk creation date (Pentana)	Year risk added to register
CR33	Major Capital Schemes	12				14-Feb-2020	2020
CR35	Unsustainable Medium Term Finances - City Fund	12				19-Jun-2020	2020
CR36	Protective Security	12				10-Jan-2022	2022
CR09	Health Safety and Wellbeing Risk (Management System)	8				22-Sep-2014	Pre-Pentana (2014)
CR10	Adverse Political Developments	8				22-Sep-2014	Pre-Pentana (2014)
CR17	Safeguarding	8				22-Sep-2014	Pre-Pentana (2014)
CR21	Air Quality	6				07-Oct-2015	2015

Table 3: May 2023: List of Current Corporate Risks by Current Risk Score.

9. The RAG matrices below show the distribution of corporate risks as of 2 May (Table 4) and 27 February 2023 (Table 5):

















	Minor	Serious	Major	Extreme
Likely				
Possible				
Unlikely				
Rare				

Table 4: May 2023 Corporate Risk Heatmap

















	Minor	Serious	Major	Extreme
Likely				
Possible				
Unlikely				
Rare				

Table 5: Feb 2023 Corporate Risk Heatmap

## Red Departmental Risks

10. There are currently 26 departmental red risks, an increase of one since the last written report to the Committee. A summary of the top red departmental risks can be found at Appendix 2.

11. Four risks have been added to the red departmental register and three risks de-escalated to service level.

The following additions have been made:

- **ENV-SLT 001 Maintenance and Renewal of Physical Assets – Red 16** (impact major 4 x likelihood likely 4) - verbally briefed to the March Committee
- **DCCS HS 007 Blake Tower Barbican Estate - Red 16** (impact major 4 x likelihood likely 4) - verbally briefed to the March Committee
- **CJS 002 Failure to recruit and retain high quality teaching and support staff - Red 16** (impact major 4 x likelihood likely 4)

- **CJS 004 Failure to complete building and then to maintain buildings and site - Red 16** (impact major 4 x likelihood likely 4)

The following risks have been de-escalated to red service level (*verbally briefed to the March Committee*):

- ENV-CO-TR 001 Road Safety
- ENV PHPP 001 Brexit impact on Port Health
- ENV CO-GC 001 Road traffic collision caused by CoLC staff or contractor unfit to drive

12. The following two risks remain the highest rated departmental risks with current risk scores of Red 32 (impact extreme 8 x likelihood likely 4).

- GSMD CROSC 012 Failure to invest in the renewal of buildings and estate infrastructure
- GSMD SUS 001 Inability to invest in new infrastructure and teaching spaces

13. At their meeting in April, the Chief Officer Risk Management Group (CORMG) further considered the City Corporation risks relating to estates management and infrastructure.

- As briefed to the Committee in March, CR37 Maintenance and Renewal of Physical Assets – investment property and corporate (operational) property (excluding housing assets) – has been redrafted to reflect the risks in this area raised by the Barbican Centre and Guildhall School of Music and Drama (GSMD). The City Surveyor has been engaging with the CEO of the Barbican Centre and the Principal of GSMD about the handling of their risks and the mitigating actions. GSMD condition surveys are being planned and will be completed during the summer holiday period this year.
- A Cyclical Works Paper to address the maintenance backlog was tabled at the Operational Property and Projects Sub Committee (OPPSC) in April. This was positively received and it is intended to be discussed at the RASC (Resource Allocation Sub Committee) Away Day in June in order to help identify an appropriate funding strategy. The OPPSC was supportive in ring-fencing funds and managing this as an individual project running alongside business-as-usual cyclical maintenance requirements. The requirement for funding over the next 3 years to negate any further increase in the backlog was also recognised.
- Officers across City Corporation departments are working together to review and mitigate the risk relating to Blake Tower on the Barbican Estate (held as a Department for Community and Children's Services departmental red risk). Action is ongoing in relation to this and Blake Tower will be put on the CORMG agenda at their next meeting.
- The February CORMG had previously discussed whether to create an additional risk on Pentana relating to the Housing Revenue Account (HRA). It was agreed this risk was being adequately covered and mitigated through existing risks and City Corporation action, but will be reviewed at the next CORMG meeting.

## **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**

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 Report
- Appendix 2: All Red Departmental Risks - short summary report

## **Tabitha Swann**

Head of Corporate Strategy and Standards

[Tabitha.Swann@cityoflondon.gov.uk](mailto:Tabitha.Swann@cityoflondon.gov.uk)



# Corporate risks - detailed report EXCLUDING COMPLETED ACTIONS

Report Author: Tabitha Swann

Generated on: 02 May 2023

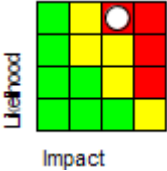



Rows are sorted by Risk Score

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
CR16 Information Security (Formerly CHB IT 030)  10-May-2019 Emma Moore	<p><b>Cause:</b> Breach of City of London Corporation IT Systems resulting in unauthorised access to data by internal or external sources.</p> <p><b>Event:</b> The City Corporation does not adequately prepare, maintain robust (and where appropriate improve) effective IT security systems and procedures.</p> <p><b>Effect:</b> 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>	 Likelihood Impact	24	<p>The project to implement a raft of new security improvements is complete</p> <p>A decision was made to define a minimum security baseline for all parts of the corporation. The Director of DITS will work with IMS to put this together.</p> <p><b>28 Feb 2023</b></p>	 Likelihood Impact	16	31-Mar-2024  Reduce	Constant

Action no	Action description	Latest Note			Action owner	Latest Note Date	Due Date
CR16n	Work on a simulated cyber attack is being planned with the IMS Team	A White Hat activity – this is where we employ an Ethical Hacker to try to gain access to COL systems using typical hacking tools and techniques A simulated “white hat” activity, using a			Gary Brailsford-	28-Feb-2023	31-Jul-2023

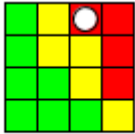
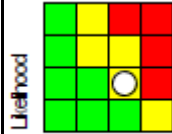
		gamification simulation tool will be employed. An Opportunity Outline has been submitted to the Project Management Office to begin implementation	Hart		
CR16p	There will be a monthly comms plan around Cyber with monthly messages being sent out to all staff around the organisation	To be planned by the Cyber Security team within COLP, and agreed by COL IT	Gary Brailsford-Hart	28-Feb-2023	31-Jan-2024

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
<b>CR37</b> <b>Maintenance and renewal of Physical Assets-Investment property and Corporate (operational) property (excluding housing assets)</b>  Page 91  04-Nov-2019 Paul Wilkinson	<b>Cause:</b> Poor property condition combined with insufficient budget allocation to maintain assets in line with strategy/ commitments/expectations. <b>Event:</b> Misalignment between the relevant Asset Management Strategy, City's lease obligations to third parties in occupation and insufficient available funds to reach / maintain this standard <b>Impact:</b> Built estate becomes not fit for purpose/ functions/occupancy. The City becomes in breach of legal repairing covenants. Cost of maintenance and utility costs increases, placing further pressure on City resources. In extreme circumstances there will be H&S implications, leading to potential enforcement action, legal action by tenants or asset failure in whole or part with detrimental effects leading to impact on occupiers		16	This risk is corporate wide, so extending to sites where asset accountability sits with the relevant Premises Controller in occupation.  The City Surveyor is working to ensure that accountability and responsibilities for maintenance is understood across the organisation. Where gaps in expertise or capacity exist, the City Surveyor is looking to develop solutions with the Premises Controllers in line with his role as the Head of Profession.  The mitigation captures the 5 repairs and maintenance funding streams:  . Cyclical Works Programme (CWP) . Ring-fenced properties . Local maintenance budgets . Major Capital projects . Investment estate revenue programme Note that the majority of this risk relates to the Corporate (operational) properties (excluding housing).  <b>20 Apr 2023</b>		8	31-Mar-2024	Constant
							Reduce	

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR37a	Cyclical Works Programme (CWP)	The CWP 2023/24 had been reduced to £4.9m to address the H&S and compliance items only. This will allow time to re calibrate the forward maintenance plans (that CWP is derived from)	Peter Collinson;	20-Apr-2023	31-Mar-2024

		<p>to take account of the various corporate initiatives currently in play, for example; operational property review, master planning, renewal programmes, accommodation relocation plans etc.</p> <p>The department is presenting a paper to the OPPS Committee in April 2023 which includes a proposal to address the cyclical maintenance backlog to achieve the Corporate Property Asset Management Strategy 2020/2025 and beyond. This includes a recommendation to fund a ringfenced programme of works to address the backlog of this element only of the portfolio. As part of this paper an Appendix was included which highlights the projected CWP spend across a range of City sites over a 10-year time horizon. It has been agreed by OPPS Committee that a paper will be presented during April 2023 to provide detail of the revised CWP that also considers how to approach the backlog of works. In addition, climate action related CWP projects are being identified to ensure that adequate funding is provided to remain on the carbon zero 2027 pathway.</p>	Paul Wilkinson		
CR37b	Ring fenced properties and budgets ( CoLP estate, New Spitalfields, Billingsgate and the three private schools	<p>CSD is communicating with ring fenced departments to identify appropriate building maintenance requirements and spend (forward maintenance). These department occupiers allocate their own funds for the maintenance of the built assets. Whilst the City Surveyor's Department recommends work to be undertaken, it is the occupying department who holds the budget responsibility and thus decides with final control over maintenance activity.</p> <p>This element is being mitigated through the delivery of the recommendations arising from the recent Internal Audit. Whilst there has been progress in some areas, the actions have not been implemented comprehensively across the Corporation. A follow-up review of the Audit Recommendations has been scheduled for April 2023 and the department will be supporting this activity.</p> <p>CSD has recently reviewed all departmental risk registers in order to identify property &amp; asset maintenance risks. This was in order to validate the articulation and approach taken by this corporate risk, and to identify any areas of concern.</p> <p>The department is aware of outstanding repair and maintenance issues at some ring-fenced sites, including the Barbican Centre and GSMD. Whilst CSD is not responsible for the delivery of repairs to these locations, it is keen to ensure that our repair delivery process is optimised. CSD is working with colleagues to consider and unblock issues where possible. This aligns with the City Surveyor's role as Head of Profession for Estates and Facilities Management.</p>	Paul Wilkinson; Peter Young	05-Apr-2023	31-Mar-2024
CR37d	Revenue Programme (Investment Estate Only)	<p>The allocation of sufficient funds to maintain our investment portfolio to a high standard is required to maximise income generation and asset appreciation. Discussions are on-going with internal colleagues such that sufficient provision is made from the rent received.</p> <p>The department presented a summary table to Property Investment Board on 15 February which detailed rental income and repair and cyclical works over the last ten years. For the City Fund Estate, an average of 4.26% was spent, whilst on the City's Estate, this equated to 6.02%.</p>	Robert Murphy	20-Feb-2023	31-Mar-2024

		One of the post-Covid trends is a ‘flight to quality’ from occupiers, making the condition of our assets critical to future income.			
CR37f	Annual Major Capital Bids	<p>The City Surveyor’s Department is progressing several major capital projects, and these projects are all essential to keep the operational estate including the Guildhall in a good standard. Significant works have been identified from the recent Smithfield Market Condition Survey and if not funded present a live Health and Safety risk for Markets . Some departments submit their own direct bids based upon advice from the City Surveyor. If more H&amp;S works are required this limits the scope for further improvement projects.</p> <p>Over quarter 3 2023/24 all projects were reviewed to consider the impact of increased inflation, together with any mitigations in place. The outcomes from this review have recently (January 2023) been circulated to officers (January 2023). There will be no capital bids for 2023/24 – however there will be a small emergency funding pot should any immediate H&amp;S issue arise.</p>	Nicholas Gill; Peter Young	28-Mar-2023	31-Mar-2024
CR37g	Operational Property Review	<p>The City Corporation has recently commenced an Operational Property Review to consider the future property requirements to deliver the organisations services. This will align with the RPR programme and the refresh of the organisation’s Corporate Plan.</p> <p>The review is commencing and further details as to milestones and objectives will be available shortly.</p> <p>Rationalisation of the organisation’s property estate will help alleviate pressure on maintenance budgets. However, it should be highlighted that rationalisation will only be able to make a small contribution to the overall position.</p>	Peter Young	30-Jan-2023	31-Mar-2024

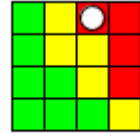
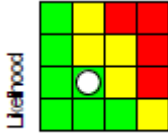

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
CR38 Unsustainable Medium Term Finances - City's Cash	<p><b>Causes:</b> High 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><b>Event:</b> 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><b>Effects:</b> 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>Lifehood</p> <p>Impact</p>	16	<p>Refer CR35 for Price Index and inflation rates.</p> <p>Pinch points have been identified by finance business partners and discussed with senior members and Committee Chairmen as part of the bilateral process supporting budget setting. 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>During the last quarter, the trigger point was reached on capital programme. This led to a review on major projects programme and BAU capital programmes.</p> <p>Policy and Resources Committee has reprioritised the major projects; and rescoped the Markets project – keeping within the original envelope.</p> <p>Resource Allocation Sub Committee has reprioritised the BAU capital programme to remain within the contingency held.</p> <p>The CWP programme is being considered under the Operational Property review with recommendations to Operational Property and Projects Sub Committee. For now, the CWP programme will pause on new requests to carry out a deep dive review alongside the Operational</p>	 <p>Lifehood</p> <p>Impact</p>	8	31-Mar-2023	↓

Page 95 Oct-2022 Caroline Al- Property				<p>Property review, recommendations were agreed to support the bow wave under the medium-term financial plan.</p> <p>Period 10 (January) reporting confirms identified inflationary pressures are well within the contingencies held.</p> <p>The 5 year financial forecast was approved by Court of Common Council on 9th March, however the risk remains at red as City's Cash is unable to levy taxes in the same way City Fund can – City's Cash long term financial plan is running at a deficit which still needs to be addressed.</p> <p><b>03 Apr 2023</b></p> <p><b>05 Apr 2023</b></p>				
							Reduce	Decreasing

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR38a	Impact of inflation <ul style="list-style-type: none"> <li>• Rising inflationary pressures on energy costs</li> <li>• Rising inflationary pressures on construction and labour costs</li> </ul>	<p>The five year financial plan was approved by Court of Common Council on 9 March:</p> <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; plus contingencies held centrally to support 2023/24 pay inflation;</p> <p>2) £1m contingency ringfenced for construction inflation under capital programme. Reprioritisation of BAU capital programme sits within contingency held.</p> <p>£400m cost pressure identified for the major projects across City Fund and City's Cash. Refer to CR38b for further action taken.</p>	Sonia Virdee	05-Apr-2023	31-Mar-2024
CR38b	Impact of construction inflation on capital programme:	For Major Projects - Capital Buildings Committee monitoring delivery within the revised	Sonia	05-Apr-	31-Mar-

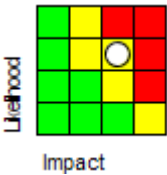
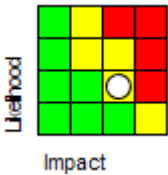

	<ul style="list-style-type: none"> <li>• Major projects</li> <li>• Business as usual capital programme</li> </ul> <p>Remain within the financial envelopes approved for major projects</p>	budget envelopes. Furthermore, work is underway to enable regular updates on the cash flow requirements on the major projects to understand the investment/asset disposal strategy.	Virdee	2023	2024
CR38e	<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>Outstanding sums are reducing across all Income Streams with significant improvement in Investment Property.</p>	Phil Black; Sonia Virdee	05-Apr-2023	30-Jun-2024
CR38f	Achievement of current Savings Programme – includes flight path savings (Fundamental Review) and securing permanent year on year savings (12%).	<p>Star chambers led by the Chamberlain and Town Clerk took place during the Autumn 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, have now been concluded and with an overview reported to Finance Committee in December 2022.</p> <p>A forward plan to capture savings during 2023/24 is being worked on and will be presented to RASC sub away day.</p>	Sonia Virdee	05-Apr-2023	31-Mar-2024



Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
<b>CR39 Recruitment and Retention</b>  21-Feb-2023 Emma Moore  <div>Page 97</div>	<b>Cause:</b> The Corporation had an employee turnover rate of 18.69% for the period 1 January to 31 December 2022. This is a high and is affected by a wide of factors including labour market shortages and high levels employment in the wider economy. Like many employers, the Corporation is competing for scarce talent, particularly in highly skilled areas such professional services. <b>Event:</b> Unable to attract and retain the best talent due to factors such as remuneration, working conditions and benefits becoming out of line with competitor organisations. <b>Effect:</b> The corporation is at risk of failing to deliver its corporate objectives. Costs of delivering services increase due to high turnover, and increased reliance on agency workers and interims, particularly in shortage areas. This means our ability to deliver objectives is at risk. This affects both outcomes for policy objectives and statutory functions, as well as the brand and reputation of the organisation.	 Impact	16	This is a new risk, which has been added as Corporate Risk following discussions at Chief Officer Risk Management Group in January 2023  <b>21 Feb 2023</b>	 Impact	4	31-Dec-2024	 Constant
							Reduce	

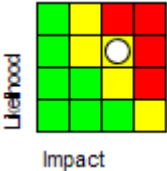
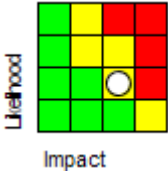

Action no	Action description	Latest Note		Action owner	Latest Note Date	Due Date
CR39a	Develop options for new models of service delivery in services facing significant recruitment and retention issues and will improve service delivery. Options to include, commissioning, joint arrangements and shared services with partners and outsourcing			Emma Moore		31-May-2023
CR39b	Full review of pay, terms and conditions to update working patterns and reward to improve recruitment and retention. Phase 1 completed by April 2023 with options for change. Phase 2 implementation of agreed options for change by July 2024	Consultancy Partner appointed to start in January 2023. Additional funding granted to establish reward project team.		Marcelle Moncrieffe	21-Feb-2023	31-Jul-2024
CR39c	Support recruitment in hard to fill roles and provide additional capacity when in house capacity is stretched.	Work has commenced with Commercial Services and HR. Options will be developed in early 2023 as part of developing new options to commission a managed service supplier to		Cindy Vallance	21-Feb-2023	30-Apr-2024

	Options will be developed in early 2023 as part of developing new options to commission a managed service supplier to supply both temporary and permanent workers	supply both temporary and permanent workers			
CR39d	Identify “quick wins” in relation to current recruitment / applicant tracking system to improve user experience. Develop and put in place clear requirements for new ERP system. Phase 1 June 2023 and phase 2 April 2024	Areas for improvements in current processes already identified. Quick wins work to be completed in January 2023 and actioned by March 2023. Phase 2 work to be completed as part of ERP programme	Pauline Shakespeare	21-Feb-2023	30-Apr-2024
CR39e	Develop workforce reports for each department. HR Business Partners to support the planning process using data. This action is reliant upon accurate data and reporting from the new ERP system	Data cleanse and establishment data improvement work will commence in early 2023 in preparation for ERP	Cindy Vallance	21-Feb-2023	02-Jan-2024
CR39f	As part of People Strategy, review organisational approach to talent management and succession planning. This will include review of ERP module that can support a consistent approach. Career pathways will be part of the Reward Refresh project.	Options to be consulted upon as part of People Strategy engagement.	Cindy Vallance	21-Feb-2023	02-Jan-2024

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
CR01 Resilience Risk  20-Mar-2015 Ian Thomas	<b>Cause</b> - Lack of appropriate planning, leadership and coordination <b>Event</b> - Emergency situation related to terrorism or other serious event/major incident is not managed effectively <b>Effect</b> - Major disruption to City business, failure to support the community, assist in business recovery. Reputational damage to the City as a place to do business.		12	Castellan ( formerly Clearview ) BC management tool continues to be implemented rollout has begun across Col depts and full use expected by April 2023  03 Feb 2023		8	28-Dec-2023	 Constant
							Accept	

Action no	Action description	Latest Note		Action owner	Latest Note Date	Due Date
CR01L	Assurance process with Cabinet Office College Provide refresher and initial training for Col staff, this training intended to increase knowledge to ensure BC plans are able to support the Col maintain its business during a major incident, provide an in depth independent oversight of the Col business impact analysis, identifying its most critical business areas	<p>The Clearview software Business Continuity product contract has now been signed 1/7/21 as a joint procurement with COLP/Clearview , the implementation of the system and integration of new elements and information into the Col IT system and education process is currently underway , full rollout across Col expected December 2022</p> <p>The BC software product now ‘Castellan’ formerly Clearview has been built with rollout beginning across the Colc January 2023 the onboarding process is now taking place. The intention is for the Dept BC leads end users to familiarise themselves and be confident using the system over the next few months and to input their Dept BIA business impact analysis which will help populate the Dept plans. BC leads are meeting on 14th February 2023 to discuss rollout and timeline for completing their sections. We will then schedule a BC training exercise , full use of the system and completion is expected by the end of April 2023</p>		Gary Locker	03-Feb-2023	30-Apr-2023
CR01M	process, training, call out process to strengthen the City capability and resilience in responding to major incident and complying with the wider London boroughs standardisation programme	<p>Training for this session complete process and call out still to be finalised Continues</p> <p>Intranet note to staff to identify new potential LALO March 2022</p> <p>LALO were involved in a City based partnership exercise February 2020, Intranet note 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</p>		Gary Locker	03-Feb-2023	10-Mar-2023

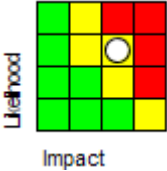


		<p>appropriate for Col response and engage LALO in local/pan London exercise where appropriate</p> <p>LALO event Refresher set for 10/3/23 . This is to ensure capability and resource of the LALO Role are up to date on current procedures and best practice</p>			
CR01N	to increase City capability and resilience in also supporting wider London boroughs during major incident response, Local Emergency Control Centres, Emergency centres as part of a wider humanitarian	<p>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 &amp; Command structure responsibilities . Module 2/3 to follow 2022 Legal Implications &amp; Public Inquiries session New senior staff to be identified for further training and awareness process continues as organisation changes continue.</p> <p>To identify new course dates and potential new candidates . 2 senior staff Comptroller and COO have been given notice of MAGIC course dates 2023. National Multi agency Gold Incident Command</p>	Gary Locker	03-Feb-2023	30-Jun-2023
CR01Q	Plan an annual calendar of IT DR tests, covering critical systems and services	A 12 month plan of rolling failover/DR tests has been produced and will commence toward the end of the year. These will each cover a specific area of the technology service; starting with the lower risk, lower impact services and ending with a simulation of a cloud Data centre failure	Matt Gosden	03-Feb-2023	01-Dec-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
CR02 Loss of Business Support for the City	<p><b>Cause:</b> The City Corporation's assessment of the strategy and approach to promotion and support does provide the appropriate and targeted interventions at the right time, particularly following the Covid 19 pandemic.</p> <p><b>Risk Event:</b> The City Corporation's actions to promote and support the competitiveness of the business City are not fully effective (post Covid).</p> <p><b>Effect:</b> The City loses its ability to attract and retain high value global business activity, both as a physical location and in mediating financial and trade flows; the City Corporation's business remit is damaged, and its perceived relevance is diminished. Reputational damage to the City as a place to do business and to Corporation ability to govern effectively</p>		12	<p>The risk score remains the same at an amber 12 although this is kept under regular review.</p> <p>Inflation has begun to fall. But in December, prices were still 10.5% higher than a year ago. That is well above the Bank of England's (BoE) 2% target - BoE Monetary Policy Report, February 2023.</p> <p>Higher energy prices are one of the main reasons for this. Russia's invasion of Ukraine led to large increases in the price of gas. However, the BoE expects interest rates to fall quickly this year.</p> <p>IG's work and projects support the competitiveness strategy. The State of the City Report and our Benchmarking work are now embedded as annual publications. One further project to note is Finance for Growth which will set out a roadmap to maintain and enhance the UK's role as a global financial centre.</p> <p>The roadmap will set out long-term plans to reinforce and renew the UK's role as a global financial centre. In the face of increasing international competition, it will provide a pathway to continued success for the rest of the decade.</p> <p>Using robust evidence and research, we will make recommendations for regulatory reform in UK FPS, focusing on tech/innovation, sustainable finance, a competitive marketplace and international</p>		8	30-Apr-2023	

22-Sep-2014 Damian Nussbaum				promotion. Our aim is to ensure the UK FPS sector is best in class internationally and able to contribute positively to the UK economy and global growth for the rest of the decade.  <b>02 May 2023</b>			Reduce	Constant
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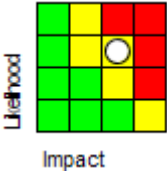
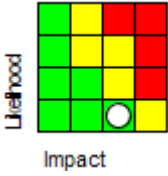

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR02H  Page 102	Work on initiatives which ensure London is at the forefront of innovation in financial and professional services	<ul style="list-style-type: none"> <li>- Retention of Investment: Completed. The Virtual engagement programme was completed achieving the intended results.</li> <li>- Promotion of UK FPS offer globally: Ongoing delivery. The Lord Mayor's virtual visits described in the actions were successfully conducted virtually reaching the intended audiences. New visits programmed and taking place during 2022</li> <li>- Report: Completed. The report "Our global offer to business: London and the UK's competitive strengths in a critical time" was published on January 2022.</li> <li>- Retention Campaign: In progress. Retention is included as one of the pillars of the Competitiveness Strategy 2021-2025</li> <li>- The Global City: In Progress / ongoing: The Global City campaign showcases the UK's competitiveness strengths in FPS around the world.</li> <li>- Europe: In progress. We welcome the European Commission's temporary equivalence decision with regards to UK CCPs. We are disappointed that further equivalence decisions have not yet been taken. We encourage both sides to continue a dialogue with each other, with a hope that further equivalence decisions can be taken by both sides in the future.</li> <li>- Khalifa Report: Completed. CoLC has been appointed HM Treasury's delivery partner to establish the Centre for Finance, Innovation and Technology, one of the key recommendations of the review. EY have been appointed as the consultants to support the project.</li> </ul>	Damian Nussbaum	06-Sep-2022	30-Apr-2023
CR02I	Work with colleagues across the Corporation to implement the recommendations of the Covid 19 Recovery Taskforce Report, Square Mile: Future City	- The impact of Covid 19 has had and will continue to have a major impact on the role of the City of London as a global financial centre. The City has shown remarkable resilience and ability to adapt to the extraordinary circumstances it faced. However, it is likely that	Damian Nussbaum	06-Sep-2022	30-Apr-2023

		<p>businesses' operating models will evolve and we will see much more flexible working patterns.</p> <p>- The Square Mile: Future City report has been published and its recommendations are being acted upon under vehicles such as the Square Smile campaign and under more longer term initiatives such as Destination City.</p> <p>- The Square Smile campaign aims to showcase the very best of the City's hospitality, culture, retail and much more to support its recovery. It has been relaunched by the end of 2021 after Covid-19 restrictions were lifted.</p> <p>- The Destination City programme of work is a priority for the new Policy Chairman and is aimed at creating the right environment for encouraging more people to work and visit the City. It will deliver an exciting events programme, offering something for everyone, including outdoor festivals featuring music, art, education, sport, and wellness, in the City's iconic settings and hidden spaces.</p>			
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Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
<b>CR29 Information Management</b>  08-Apr-2019 Emma Moore	<b>Cause:</b> Lack of officer commitment and investment of the right resources into organisational information management systems and culture. <b>Event:</b> The City Corporation's IM Strategy (2018-2023) is not fully and effectively implemented <b>Effect:</b> a) Not being able to use relevant information to draw insights and intelligence and support good decision-making. b) Vulnerability to personal data and other information rights breaches and non-compliance with possible significant ICO fines or other legal action. c) Waste of resources storing information beyond usefulness.		12	DITS are progressing with a Data Maturity Assessment to be carried out by Microsoft / Hitachi Solutions. It is anticipated that this will help to establish priority areas of focus and will be used to inform a refresh of the current IM Strategy.  DITS are also engaging with Content and Cloud around expediting the cleansing and migration of Departmental H Drives to SharePoint.  <b>28 Feb 2023</b>		6	31-Mar-2023	  Constant
							Reduce	

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR29g	IM Audit Actions to be implemented	Several audit actions now need to be considered and planned for implementation up to the end of June. Dependent on a resource uplift bid within the IT TOM proposal.	Sam Collins	28-Feb-2023	31-Mar-2023
CR29j	Draft Data Strategy	More detailed mitigation actions for cultural, infrastructure and information tooling to be developed. Work will be commencing in the new year with a partner in order to better understand the current maturity level of the organisation.	Zakki Ghauri	28-Feb-2023	31-Mar-2023
CR29k	Data Maturity Assessment	Conduct Data Maturity Assessment with Microsoft to understand areas of development or concern	Sam Collins	28-Feb-2023	31-Mar-2023
CR29l	Remediate Data Maturity Assessment	Remediate following Assessment with Microsoft	Sam Collins	28-Feb-2023	31-Mar-2023



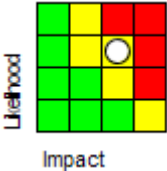
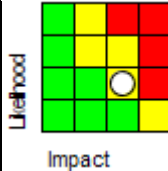

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
<b>CR30 Climate Action</b>  <div>Page 105</div> <div>04-Oct-2019 Damian Nussbaum</div>	<b>Cause:</b> Insufficient resources and prioritisation allocated to Climate Action. <b>Event:</b> The City Corporation fails to reduce and mitigate the impact and effect of climate change. <b>PHASE 2: DELIVER AND REFINE ACTION PLAN</b> – To be addressed in completion of phase 1. <b>Impact:</b> 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"> <li>• failing to deliver on the net zero targets in our Climate Action Strategy</li> <li>• reducing our ability to effectively reduce carbon emissions in the next two carbon budget periods (2022 and 2027)</li> <li>• damaging the City's credibility in Green Finance and Insurance markets;</li> <li>• reducing our ability to champion sustainable growth globally and enhance the relevance and reputation of the Square Mile</li> <li>• failing to adequately invest in climate resilience measures leading to negative impacts on social, economic and environmental outcomes</li> <li>• failing to adequately invest in net zero initiatives leading to negative impact on our financial and property investments</li> </ul>		12	The City of London Corporation's Climate Action Strategy 2020 was approved by the Court of Common Council in October 2020. The year 1 action plan for delivering the strategy was approved on 8th April 2021 at P&R with input from the various Chairs/Deputy Chairs from the relevant committees. Work is underway across 10 workstreams detailed in project plans. Stakeholder engagement plans, performance dashboard and management systems, governance approach are also finalised. Assessment of climate implications now required within all reports to Committees  <b>16 Nov 2022</b>		4	31-Mar-2027	  Constant
							Reduce	

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR30k	Ongoing political and international relationship management	Strategy picked up by media and helping promote reputation of City financial. Stakeholder engagement plan identifies opportunities for political and international engagement opportunities.	Damian Nussbaum	03-Feb-2023	31-Mar-2027

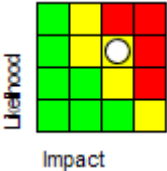
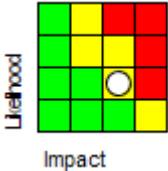
CR301	Deliver programme of works across operational and investment portfolios	<p>Top 15 emitting buildings and all 118 investment properties across our corporate and housing estates have been surveyed to inform the operational and capital interventions across our corporate buildings. Reports will be updated over November 2022 and discussed with individual Asset Managers, to inform an overall Operational Plan.</p> <p>Awaiting the air pressure tests from Osmosis which will determine the numbers of flats that may be eligible for grant funding from Social Housing Decarbonisation Fund. William Blake will have to be taken out of Wave 1, so we are only looking at Sumner Buildings at this moment. Expected value of the grant should be close to £120k.</p> <p>Decisions outstanding on planned stock changes such as disposal strategies and major projects such as the Guildhall Master Plan, Barbican Arts Centre and Markets Co-location continue to create uncertainty in the Corporate Properties Group workstream for CAS. As these buildings are amongst the highest emitters for the operational estate, understanding their future is essential in planning for, and delivery of, the 2027 CAS target.</p> <p>Construction price inflation, both in terms of availability and pricing of materials, and through the availability of labour, will impact the delivery programme. This may result in additional budget pressures. This is an industry-wide issue that the department is tracking closely.</p> <p>Recent unprecedented rises in energy prices and the cost of capital works presents a significant risk to CAS target delivery. CAS delivery is supported by the delivery of planned cyclical maintenance works and the capture of energy cost savings to fund further measures. Avoiding delays due to cost pressures will be necessary to avoid knock-on impacts to CAS targets. The mitigation in place includes introduction of behavioural management programme in buildings and the implementation and potential expansion of the Power Purchase Agreement (PPA)</p> <p>There is a risk that due to insufficient engagement, residents choose to not support the Climate Action work proposed for their areas. As a result, critical works on e.g. improving the energy efficiency of old properties becomes delayed or does not progress due to opposition.</p> <p>Therefore, a dedicated engagement plan for this residential community to be in place for</p>	Paul Wilkinson	03-Feb-2023	31-Mar-2027
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		March '23.			
CR30m	Monitor and drive performance against net zero and financial targets for financial investments and supply chain, continually refreshing learning	<p>Funded project plans with resources and capability requirements have been updated for FY22/23 and approved at May Policy and Resources Committee.</p> <p>Purchased Goods and Services actions for the coming year:</p> <ul style="list-style-type: none"> <li>* Implementation of the Carbon Net Zero Procurement Plan; FY 2022 – 2024</li> <li>* Working with our supply chain to embed Climate Action KPIs into the supply chain through focus on the most impactful contracts.</li> <li>* Focusing on the most impactful contracts, migrate away from proxy values to track carbon performance more accurately.</li> <li>* Developing low carbon, green and circular criteria, and standards to help decouple carbon from spend.</li> </ul> <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"> <li>* Formulating and implementing plan to address financial physical and transition risks within the upcoming strategic asset allocation process.</li> <li>* Working with fund managers to ensure robust risk management on the portfolio and timely disclosures.</li> </ul> <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	03-Feb-2023	31-Mar-2027
CR30n	Monitor and drive performance against net zero and resilience targets, continually refreshing learning	<p>Cool Streets &amp; Greening Gateway 3-4 approved for nine Year 1 and six year 2 sites. Implementations complete for six year 1 sites, with a further site now underway. Evaluation underway using smart sensors. Cubic Mile project is nearing completion and is being used to map opportunities for climate resilience measures below ground as part of the Phase 3 and 4 sites for the Cool Streets &amp; Greening project.</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	03-Feb-2023	31-Mar-2027
CR30o	Set out carbon removal action plan and mobilise	Current risks are:	Juliemma McLoughlin	03-Feb-2023	31-Mar-2027

		<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>			
CR30p	Run overarching engagement programme with our stakeholders and partners (phase 3 of engagement plan) and quality assure engagement for projects	Dedicated stakeholder engagement lead built into PMO function. Stakeholder engagement plan approved at May Policy & Resources Committee. Detailed stakeholder engagement plan socialised with principal members and officers for approval	Damian Nussbaum	03-Feb-2023	31-Mar-2027
CR30q	Carry out impact assessments and equalities analysis on projects and stakeholder research and use their findings to shape future engagement and delivery	Subject to continuous assessment within implementation plans. A review of the findings from the initial Test of Relevance was conducted at half year and they remain the same. Impacts will be investigated and assessed on an ongoing basis in conjunction with the delivery of the CAS programme of work.		16-Nov-2022	31-Mar-2027
CR30r	Agree to and implement appropriate governance to embed Climate Action in departmental scrutiny. Ensure appropriate capacity and capabilities are in place including for regular KPI progress reporting via the CPF. Ensure 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 has now been completed and is live on the external COL website and will be reviewed and updated each quarter. This update process will be governed by a new Dashboard Data Governance &amp; Reporting Procedure. The dashboard will allow tracking to take place across an initial 31 management KPIs as well as the main 21 reporting KPIs of our carbon footprint as expressed in tonnes of CO<sub>2</sub> e (Carbon Dioxide Equivalent). Going forwards, it is intended that this dashboard will be used as the basis for progress reporting to Committees.</p> <p>To manage risk effectively in the programme, all projects have a risk log and the overall risks are reported at a programme level to Policy &amp; Resources Committee and via this CR30 corporate risk update.</p> <p>Project performances are monitored quarterly against their projected achievement trajectories. These movements are being closely monitored between Member and officer governance.</p>	Damian Nussbaum	16-Nov-2022	31-Mar-2027

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
<b>CR33 Major Capital Schemes</b>  14-Feb-2020 Emma Moore  <div>Page 109</div>	<b>Cause:</b> The City Corporation has set itself the ambition to deliver at least three landmark multi-million pound capital schemes over the next decade (currently programmed to complete 2028). <b>Event:</b> there is insufficient technical and professional capability and resource to effectively deliver the schemes. <b>Effects:</b> <ul style="list-style-type: none"> <li>• Schemes not delivered on time</li> <li>• Inability of the organisation to move at the required pace</li> <li>• Potential for increased capital costs as a result of delayed decision making</li> <li>• Reputational impact on the Corporation vis a vis key stakeholder across London and UK Govt.</li> <li>• Potential revenue impact of delayed delivery to services affected (e.g. Markets, Museum of London Grant, City of London Police)</li> <li>• failure to deliver on corporate outcomes</li> </ul>		12	Risk target date updated to March 2023 from October 2022 to reflect timelines of actions (listed in notes) being undertaken within CHB to mitigate the risk.  <b>11 Jan 2023</b>		8	31-Mar-2023	 Constant
							Reduce	

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

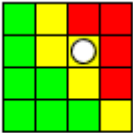


Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
CR35 Unsustainable Medium Term Finances - City Fund	<p><b>Causes:</b> High inflation – Office for Budget Responsibility forecasting peak reached Autumn 2022 and although predicted to fall over the next two years, embedded increases. 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><b>Event:</b> Inability to contain financial pressures within year (2022/23) and compensatory savings and/or income generation to meet the Corporation's forecast medium term financial deficit will not be realised. Inability to contain construction inflation or inability to rescope capital schemes within budgets.</p> <p><b>Effects:</b> 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 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>		12	<p>Retail Price Index rose by 13.8% and Consumer Price Index rose by 10.4% in 12 months to February 2023. Inflation is predicted to fall between 6% to 8% 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 rose to c20% and we are not seeing a drop</p> <p>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. The major projects programme and BAU capital programme was reprioritised by Policy and Resources Committee in 2022.</p> <p>The CWP programme and the bow-wave of repairs is being considered under the Operational Property review with recommendations to Operational Property and Projects Sub Committee.</p> <p>Identified inflationary pressures are well within the contingencies held, in addition, interest rates are giving a welcome boost to City Fund finances. The Bank of England base rate rose to 4.25% at end of March 2023, with an expectation at a three year horizon falling to 3%.</p>		8	31-Mar-2023	↓

19-Jun-2020 Caroline Al-Beyerty				The risk has reduced, the medium term financial plan was approved by Court of Common Council on 9 March, which includes contingency measures to support 2023/24 pressures. <b>05 Apr 2023</b>			Reduce	Decreasing
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Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR35a Page 111	Impact of inflation <ul style="list-style-type: none"> <li>• Rising inflationary pressures on energy costs</li> <li>• Rising inflationary pressures on construction and labour costs</li> </ul>	<p>1) Inflation contingency held: 22/23 inflationary pressures are well within contingencies held. 23/24 includes 2% contingencies held centrally.</p> <p>2) CF - £3m contingency ringfenced for construction inflation under Major Projects reserve.</p> <p>The MTFP has been approved. Mitigations approved included: increase in Business Rate Premium; rise in core Council Tax and Adult Social Care; central contingencies held to support new pay pressures; carry forwards from 2022/23 underspends to support one-off pressures; transformation funding held centrally to support Resource Prioritisation Refresh workstreams and the culture shift. .</p>	Sonia Virdee	05-Apr-2023	31-Mar-2024
CR35b	<ul style="list-style-type: none"> <li>• Review of HRA commissioned and due to report at the end of November 2022.</li> <li>• 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.</li> <li>• Housing 30 year financial projects have been completed.</li> </ul>	<p>Reprioritisation of the schemes to sit within current budget envelope has been reported to and agreed by Resource Allocation Sub Committee.</p> <p>Review of HRA commissioned from Savills and Interim Report received at the end of November 2022, following member review and comments, final version now received and went to DCCS in March. Housing are now looking at detailed options following up on the report, to come back to Committee for agreement in the autumn. Housing 30 year financial projects have been completed.</p> <p>Need to continue to monitor identified expenditure risks around recovery of leaseholder contributions following the decision not to allow the Appeal of the Great Arthur Cladding case. Legal opinion is being sought on wider issue of recovery of costs through the service charge, particularly on the Golden Lane Estate.</p>	Mark Jarvis; Paul Murtagh	05-Apr-2023	31-Mar-2024
CR35c	Remain within the financial envelopes approved for major projects	For Major Projects – Capital Buildings Board monitors delivery within the revised budget envelopes. Monthly updates on the cash flow requirements on the major projects are provided to Policy and Resources Committee and Finance Committee to understand the investment/asset	Sonia Virdee	05-Apr-2023	31-Mar-2024

		disposal strategy Regular reporting on the major projects programmes will be presented to Capital Buildings Board, Finance Committee, and Policy and resources Committee on a monthly basis.			
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) Update on the MTFP assumptions is being presented to this committee today as part of the 2023/24 budget setting.</p> <p>The medium term plan provides recommendations for one-off cost pressures and on-going pressures.</p> <p>A summary of savings yet to be delivered during 2023/24 is being worked on and will be presented to RASC sub away day.</p>	Alistair Cook; Sonia Virdee	05-Apr-2023	30-Jun-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
CR36 Protective Security	<p><b>Cause:</b> Lack of appropriate governance, inadequate security risk assessments, prioritisation, and mitigation plans. Inadequate, poorly maintained or time expired security infrastructure and policies; lack of security culture and protective security mitigation; poor training, inadequate vetting, insufficient staff.</p> <p><b>Event:</b> Security of an operational property and event space is breached, be that internal threat, protest and/or terrorist attack. Publicly accessible areas for which the Corporation are responsible for are subject to an undisrupted Terrorist attack.</p> <p><b>Effect:</b> Injury or potential loss of life caused by an undisrupted attack, unauthorised access to our estate by criminals/protestors/terrorists; disruption of business/ high profile events; reputational damage.</p>	 <p>Lifehood</p> <p>Impact</p>	12	<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 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 work, is nearly completed and maintains an equilibrium on continual monitoring working with COLP. 30/08/22</p>	 <p>Lifehood</p> <p>Impact</p>	8	01-Jan-2024	

10-Jan-2022  
Ian Thomas

Work continues across all areas, in recent months, extensive work has taken place to deliver globally recognised events, including Platinum Jubilee, HM the Queen service of reflection at St Pauls Cathedral and the proclamation of HM the King at the Royal Exchange. In addition to Lord Mayor show 2022. State Banquet of South Africa and Lord Mayors Banquet. We now prepare for a series of other high profile events. The Protect Bridges board is now up and running. We are currently working with COLP in review of and delivery of all previous security footprints to ensure they are up to date and independent audit of works done. We also continue to support the National Public Authority Information Exchange run by CPNI sharing learning.

CoLP have created new vulnerability reports for Guildhall, Tower Bridge and Leadenhall Market that show all identified risk is being managed down to a low level. An updated PSIA report for the Barbican shows no red risk and an increase in 10 percentage points since Q2 2022/23. The CCC is currently undergoing a CoLP full review from which recommendations will be actioned. Furthermore, the Corporation is set to adopt the PoolRe VSAT process for its property portfolio that will, for the first time, put all of its key locations onto a single database. This creates a security vulnerability dashboard that can be reported on at the SSB and P&R

**03 Feb 2023**

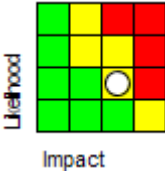


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Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR36a	To ensure that there is effective governance across the CoLC with COLP and other partners	<p>Governance structures in place, led by Town Clerk Chief Executive, through Senior Security Board, terms of reference and strategy have just been reviewed and updated. 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>	Ian Thomas	03-Feb-2023	01-Jan-2024
CR36b	Police Contest Board	<p>COLP Police host a biweekly Contest Board, covering HM Government Protect, Prepare, Prevent and Pursue 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>Attendance continues to Contest Board from either IH, SC or RW.</p> <p>There have recently been multiple Gold groups for high risk events including Platinum Jubilee, HM the Queen service of reflection at St Pauls Cathedral and the proclamation of HM the King at the Royal Exchange. In addition to Lord Mayor show 2022. All security matters reviewed and mitigated.</p> <p>COLP Contest Board TOR have also just been reviewed.</p> <p>Continual monitoring continues.</p>	Richard Woolford	03-Feb-2023	01-Jan-2024
CR36c	Incident/Event/Protest Command	<p>Training and accreditation of staff to carry out command roles, at Strategic, Silver and Operational roles.</p> <p>Event Risk assessment covering High, Medium, Low risk events.</p> <p>All High-Risk events to be raised at SSB, confirmation of appropriate command team.</p> <p>Tabletop Exercises to be done prior to High-Risk events and in cycle with partners, with learning captured and audit trails maintained by Resilience team.</p> <p>This has included November 2021 Lord Mayors Show. Pre-Christmas all venues High Risk</p>	Richard Woolford	03-Feb-2023	01-Jan-2024

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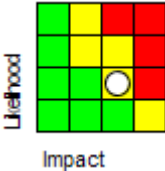


		<p>Table Tops exercises including direct action and terrorism.</p> <p>LMS 2021 debriefed with action plans being addressed with all partners.</p> <p>Ongoing planning for Platinum Jubilee, Operation London Bridge.</p> <p>XR protests in April 2022 will be lead by chief officer Gold, with learning from 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, awaiting new CEO arrival, training and accreditation is and will take place around Gold command to ensure resilience. Comptroller is booked into a MAGIC course and COO course being arranged, chief officers are joining other staff from across portfolios addressing a) security and protest exercise and b) a Resilience scenario during February. This will be followed by further command and control training, across Strategic, Tactical and Operational levels.</p>			
36d	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> <p>The prevent agenda was discussed at the last SSB, with continual monitoring and there is a Conference hosted within the City on Monday 21st November 2022.</p> <p>Continual monitoring continues.</p>	Valeria Cadena	03-Feb-2023	01-Jan-2024
CR36f	Protect	<p>There is a vast array of partnership bodies that impact both the COLC and City wide, covering Security and Counter Terrorism. COLC is embedded with: • City of London Crime Prevention Association. • Cross Sector Safety and Security Communications. • Global Terrorism Information Network TINYg. • POOLRE • City Security Council • CPNI Strategic and Tactical meetings structures</p> <p>Diverse attendance and support continues</p> <p>We are currently working with COLP in review all delivery of previous security footprints to ensure up to date and independent audit of works done.</p> <p>Continual monitoring continues.</p>	Simon Causer	03-Feb-2023	01-Jan-2024

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
<b>CR09 Health Safety and Wellbeing Risk (Management System)</b>  22-Sep-2014 Emma Moore	<b>Cause:</b> Lack of management grip/attention to effective health and safety in the workplace, management and staff competency, poor supervision and guidance, and ineffective controls and monitoring / feedback systems. <b>Event:</b> Significant breach/non-compliance with Statutory regulations and/ or internal H&S policies and procedures by staff/managers whilst undertaking/delivery of City Corporation functions. <b>Effect:</b> Fatality or life-threatening illness / disease compromising the safety and wellbeing of service users, public or the workforce, potential enforcement action/financial penalties to City Corporation. Adverse effect on the delivery of the Corporate Plan: Especially Outcomes 1 & 2		8	The Corporate H&S Business Plan priorities 1 and 4 underway. KPIs reported on to Corporate H&S Committee Mar 23. IA action plan to Corporate H&S Committee Mar 23 to approve and monitor. Local health and safety business plan in train for high risk areas  <b>03 Mar 2023</b>		8		 Constant
							Accept	

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Action no	Action description	Latest Note		Action owner	Latest Note Date	Due Date
CR09Q	CR09 is now at Target and the risk treatment is "Accept" the HSW Manager will be monitoring the H&S Management System on behalf of the risk owner and any changes which may impact effectiveness considered when assessing on-going risk scoring	Nil changes to the risk scores. Ongoing review at each HSW committee – to be reviewed again by September 2022		Emma Moore	01-Feb-2023	30-Sep-2022
CR09R	Implementation of the City Corporation H&S Business Plan. Regular monitoring of progress against the plan by the City Corporation H&S Committee.			Joanna Carrington; Emma Moore		31-Mar-2024
CR09S	Adequate maintenance of policies, guidance, resources, risk assessments and competent advice. Implementation of the City Corporation H&S Business Plan. Regular monitoring of progress against the plan by the City Corporation H&S Committee.			Joanna Carrington; Emma Moore		31-Mar-2024
CR09T	Adequate planning and implementation of the strategic change for the new Corporation health and safety			Joanna Carrington;		31-Mar-2024

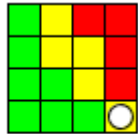

	management system. Implementation of the City Corporation H&S Business Plan. Regular monitoring of progress against the plan by the City Corporation H&S Committee.		Emma Moore		
CR09U	H&S risk management assurance/visibility for senior leaders. Implementation of the City Corporation H&S Business Plan. Regular monitoring of progress against the plan by the City Corporation H&S Committee		Joanna Carrington; Emma Moore		31-Mar-2024
CR09V	Major and/or extreme accident outcome, enforcement agency action, reputational and financial risk due to inability to meet legal requirements and other requirements, H&S objectives and continually improve. Implementation of the City Corporation H&S Business Plan. Regular monitoring of progress against the plan by the City Corporation H&S Committee		Joanna Carrington; Emma Moore		31-Mar-2024

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
<b>CR10 Adverse Political Developments</b>  <div>Page 19</div> 22-Sep-2014 Paul Double	<b>Cause:</b> Policy issues that may compromise the City's operation as an international financial marketplace to which the City Corporation's functions are aligned; other financial and professional services issues that make the City Corporation vulnerable to political criticism; local government proposals that (either directly or indirectly) call into question the democratic legitimacy of the City of London Corporation; overarching political hostility. <b>Event:</b> Changes in international relationships particularly those with the EU; reputational questions related to financial institutions; local government changes in London; low turnout for Common Council elections; increase in political hostility to the Corporation. <b>Impact:</b> Damage to the City's ability to put its case nationally and internationally and to the City's standing as a dedicated international financial marketplace. Loss of investor confidence in, or attractiveness of, the Square Mile. The City of London Corporation would be compromised if the City's position as a world-leading financial and professional services centre were undermined. Loss of credibility for the City.		8	The risk appetite is assessed on the basis of an assumption as to the Corporation's ultimate constitutional existence in its current form beyond the risk register timeline.  The political landscape remains relatively settled (notwithstanding widespread industrial action). The Government is pressing ahead with key parts of its legislative programme on financial services, levelling up, national security and online safety. The increase in industrial action has also prompted the introduction of legislation to provide for minimum levels of service across some sectors during strikes.  <b>24 Jan 2023</b>		4	24-Jan-2025	 Constant
							Reduce	

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR10a	Monitoring of Government legislation and proposed regulatory changes.	<p>Constant attention is given to the form of legislation affecting the City Corporation and the broader City, and any remedial action pursued. Relevant Bills in the Government's legislative programme continue to be identified and City Corporation departments alerted to issues of potential significance as the measures are introduced. Action is taken through negotiation with departmental officials or amendments tabled in Parliament as required.</p> <p>The Office has issued briefings for the second readings of the Levelling Up Bill and the Financial Services and Markets Bill. It has also highlighted industry concerns over the impact</p>	Paul Double	24-Jan-2023	24-Jan-2025

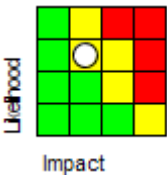
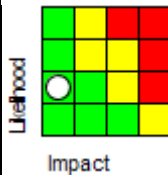

		<p>of the Foreign Influence Registration Scheme covered by the National Security Bill. The Office continues to follow progress all relevant legislation and in particular on the Economic Crime and Transparency Bill, the Online Safety Bill and the Retained EU Law Bill.</p> <p>Contact has been made with the Ministry of Justice to discuss the application of the Draft Victims Bill to the City Police.</p> <p>Targeted engagement with opposition parties continues on matters that directly impact the City of London and which may form part of their manifestos for the next General Election expected in 2024.</p>			
CR10b	Provision of information to Parliament, Government and the London Assembly on issues of importance to the City.	<p>Making known the broad range of work of the City Corporation among opinion formers, particularly in Parliament and central Government, is part of the apparatus by which the City's voice is heard and by which the Corporation is seen to be "doing a good job" for a crucial sector of the economy, and for London (and the nation) across a wide spectrum of activity.</p> <p>The Office continues to provide updates to the relevant departments and Members following major political developments and set piece Parliamentary events, the most recent followed the Autumn Statement. A further note will follow the Budget in March.</p> <p>Progress with the City of London (Markets) Bill has been disseminated to key parliamentarians.</p>	Paul Double	24-Jan-2023	24-Jan-2025
CR10c	Engagement with key opinion informers in Parliament and elsewhere. Programme of work to monitor and respond to issues affecting the reputation of the City Corporation.	<p>Liaison with the City's MP and other MPs, Peers and Select Committee of both Houses on matters of importance to the City. Working with other organisations, including TheCityUK, International Law Committee, LawUK and the Financial Markets Law Committee, to analyse the legal and regulatory framework following the UK's departure from the EU.</p> <p>The Office works closely with CPR's office and the Corporate Affairs team over the CPR's parliamentary engagement programme, including providing content and briefing for bilateral meetings. An engagement plan for CPR is being developed in collaboration with the Corporate Affairs team.</p>	Paul Double	24-Jan-2023	24-Jan-2025



Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
<b>CR17 Safeguarding</b>  <div>Page 121</div>	<p><b>Cause:</b> Not providing appropriate training to staff or members; not providing effective leadership, management or supervision; poor case management, information sharing or actions.</p> <p><b>Event:</b> Failure to deliver actions under the City of London's Corporate Safeguarding Policy. All staff (and in particular social workers &amp; teachers) not taking appropriate action in relation to safeguarding issues.</p> <p><b>Effect:</b> Physical or mental harm suffered by a child or vulnerable adult, damage to the City of London's reputation, possible legal action, investigation by CQC and or Ofsted.</p>	 <p>Likelihood</p> <p>Impact</p>	8	<p>Due to departmental restructures resulting from the TOM Executive Directors have been requested to supply information on their Safeguarding Champions and assurance work undertaken. A number of assurance reports from departments are outstanding and this is being discussed at the Executive Leadership Board.</p> <p>The Safeguarding risk will be presented to the Community and Children's Services Committee Safeguarding Sub-committee at future meetings to provide an additional level of scrutiny of this risk, the associated rating and actions to mitigate &amp; control the risk.</p> <p>An audit into corporate safeguarding has taken place and the recommendations from this audit will be reflected in this risk and actions once responsibility for the implementation has been agreed.</p> <p><b>09 Mar 2023</b></p>	 <p>Likelihood</p> <p>Impact</p>	8	<p>Accept</p>	Constant

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	Monitoring will be put in place to ensure that new Community and Children's Services staff have completed the online safeguarding training.	Paul Murtagh; Chris Pelham	09-Mar-2023	31-Mar-2023

	People are being investigated.				
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	13-Dec-2022	31-Mar-2023
CR17ae	A Corporate safeguarding audit has been undertaken. recommendations will be reflected in this risk and associated actions.	<p>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. Recommendations have been made and responsibility for the implementation of each is being discussed.</p> <p>Chief Officers were requested to provide an assurance report in relation to safeguarding (adults and children) within their areas, highlighting any key areas of risk, learning or best practice that could usefully be applied across the Corporation.</p> <p>A number of assurance reports are outstanding and this is being discussed at the Executive Leadership Board.</p>	Chris Pelham	09-Mar-2023	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. Names of safeguarding champions is still outstanding from a number of departments and is being chased.</p>		13-Dec-2022	31-Mar-2023

Risk no, title, creation date, owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date/Risk Approach	Current Risk score change indicator
<b>CR21 Air Quality</b>  04 Oct-2015 Juliaemma McCoughlin	<b>Cause:</b> Levels of air pollution in the City, specifically nitrogen dioxide and fine particles, impact on the health of residents, workers and visitors. The City Corporation has a statutory duty to take action to improve local air quality. <b>Event:</b> The City of London Corporation is insufficiently proactive and resourced, and does not have the right level of competent staff, to be able to fulfil statutory obligations, as a minimum, in order to lower levels of air pollution and reduce the impact of existing air pollution on the health of residents, workers and visitors. <b>Effect:</b> The City Corporation does not fulfil statutory obligations and air pollution remains a problem, impacting on health. Potential for legal action against the Corporation for failure to deliver obligations and protect health. Adverse effect on ability to deliver outcomes 2 and 11 of the Corporate Plan		6	94% of the publicly accessible area met the target level for Nitrogen Dioxide in 2022. Only areas adjacent to the busiest roads remained a problem. Levels of nitrogen dioxide increased slightly in 2023 as the country returned to normal post pandemic but levels are significantly lower than pre pandemic. New national targets for PM2.5 have been introduced to be achieved by 2040. Coordinated action across many sectors is required to meet the target as only 4% of the PM2.5 measured in the Square Mile is emitted within its boundary, most is therefore not within our direct control  <b>07 Mar 2023</b>		2	31-Dec-2026	  Decreasing
							Reduce	

Action no	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR21 001h	Develop baseline model for compliance assessment and publish annual report of air quality data	Work has commenced on the 2022 annual status report. All data needs to be ratified and equipment audited before it can be included in the report	Ruth Calderwood	07-Mar-2023	31-Dec-2025
CR21 001i	100% of vehicles owned or leased by the CoL are electric or hybrid by 2025	The City Corporation continues to add zero emission vehicles to its fleet with 8 hybrid and 19 pure electric vehicles. A database has been created of fleet carbon and air pollution (NOx and PM) emissions	Ruth Calderwood	07-Mar-2023	31-Dec-2025
CR211	Assess percentage compliance rate with NO2 target	The % area compliance for 2021 was 94%	Ruth Calderwood	07-Mar-2023	31-Dec-2024

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## Top red risks only - short summary by department

**Report Type:** Risks Report

**Report Author:** Tabitha Swann

**Generated on:** 28 April 2023


















Rows are sorted by Risk Score

### Department Description Barbican Centre




Department Description: Barbican Centre 11

Page	Code	Title	Current Impact	Current Likelihood	Current Risk Score	Current score	Target Impact	Target Likelihood	Target Risk Score	Target score	Target Date	Risk Approach	Flight Path
125	BBC Buildgs 027	Failure to Invest in the Renewal of Buildings and Estates Infrastructure	8	3	24		4	1	4		30-Apr-2024	Reduce	
	BBC Arts 023	Failure to Manage EDI Correctly	4	4	16		2	4	8		31-Dec-2023	Reduce	
	BBC Arts 027	Impact of Economic Factors on Our Business (Supply and Demand)	4	4	16		2	4	8		31-Jul-2023	Reduce	
	BBC Buildgs 018	Failure to Secure Sufficient Funds for Barbican Renewal	4	4	16		4	2	8		31-Mar-2025	Reduce	
	BBC Buildgs 020	LTHW Pumps	4	4	16		2	2	4		30-Sep-2023	Reduce	
	BBC Buildgs 025	Inadequate and Inappropriate Levels of Engineering Resource	4	4	16		4	1	4		30-Apr-2024	Reduce	

Code	Title	Current Impact	Current Likelihood	Current Risk Score	Current score	Target Impact	Target Likelihood	Target Risk Score	Target score	Target Date	Risk Approach	Flight Path
BBC Buildgs 028	Insufficient Staffing Levels to Cover Safety	4	4	16		4	2	8		31-Mar-2024	Reduce	
BBC CL 002	Safeguarding	4	4	16		4	1	4			Reduce	
BBC Finance 008	Shortage of Staff in Key Areas of the Business	4	4	16		4	2	8		30-Apr-2023	Reduce	
BBC H&S 002	Failure to deal with Emergency /Major Incident or Risk of Terrorism	8	2	16		8	1	8		31-Mar-2024	Reduce	
BBC H&S 005	Failure to Deliver the Fire-Related Projects	8	2	16		2	1	2		31-Dec-2024	Reduce	




## Department Description Chamberlain's

Department Description: Chamberlain's 1

Code	Title	Current Impact	Current Likelihood	Current Risk Score	Current score	Target Impact	Target Likelihood	Target Risk Score	Target score	Target Date	Risk Approach	Flight Path
CHB 001	Chamberlain's department transformation and knowledge transfer	4	4	16		2	2	4		31-Mar-2023	Reduce	





## Department Description City of London Freeman's School

Department Description: City of London Freeman's School 1

Code	Title	Current Impact	Current Likelihood	Current Risk Score	Current score	Target Impact	Target Likelihood	Target Risk Score	Target score	Target Date	Risk Approach	Flight Path
CLF-016	Financial Sustainability	4	4	16		2	2	4		31-Aug-2025	Reduce	




## Department Description City Junior School

Department Description: City Junior School 2

Code	Title	Current Impact	Current Likelihood	Current Risk Score	Current score	Target Impact	Target Likelihood	Target Risk Score	Target score	Target Date	Risk Approach	Flight Path
CJS 002	Failure to recruit and retain high quality teaching and support staff	4	4	16		2	2	4		31-Dec-2023	Reduce	
CJS 004	Failure to complete building and then to Maintain Buildings and Site	4	4	16		2	2	4		31-Jul-2023	Reduce	










## Department Description City of London Schools for Girls

Department Description: City of London Schools for Girls 1

Code	Title	Current Impact	Current Likelihood	Current Risk Score	Current score	Target Impact	Target Likelihood	Target Risk Score	Target score	Target Date	Risk Approach	Flight Path
CLSG-01	Inadequate finances or financial plans (SA5-Operations)	4	4	16		4	2	8		31-Aug-2023	Reduce	




## Department Description City Surveyor's

Department Description: City Surveyor's 3

Code	Title	Current Impact	Current Likelihood	Current Risk Score	Current score	Target Impact	Target Likelihood	Target Risk Score	Target score	Target Date	Risk Approach	Flight Path
SUR SMT 005	Construction Price Inflation	4	4	16		2	3	6		31-Mar-2024	Reduce	
SUR SMT 006	Construction Consultancy Management	4	4	16		4	1	4		31-Mar-2024	Reduce	
SUR SMT 009	Recruitment and retention of property professional	4	4	16		4	2	8		31-Mar-2023	Reduce	



## Department Description Department of Community & Children's Services

Department Description: Department of Community & Children's Services 1

Code	Title	Current Impact	Current Likelihood	Current Risk Score	Current score	Target Impact	Target Likelihood	Target Risk Score	Target score	Target Date	Risk Approach	Flight Path
DCCS HS 007	Blake Tower – Barbican Estate	4	4	16		2	2	4		31-Mar-2024		










## Department Description Environment

Department Description: Environment 1




Code	Title	Current Impact	Current Likelihood	Current Risk Score	Current score	Target Impact	Target Likelihood	Target Risk Score	Target score	Target Date	Risk Approach	Flight Path
ENV-SLT 001	Maintenance and renewal of physical assets	4	4	16		2	3	6		31-Mar-2024	Reduce	

## Department Description Guildhall School of Music and Drama

Department Description: Guildhall School of Music and Drama 4



Code	Title	Current Impact	Current Likelihood	Current Risk Score	Current score	Target Impact	Target Likelihood	Target Risk Score	Target score	Target Date	Risk Approach	Flight Path
GSMD CROSC 012	Failure to invest in the renewal of buildings and estates infrastructure	8	4	32		4	1	4		31-Mar-2024	Reduce	
GSMD SUS 001	Inability to Invest in New Infrastructure and teaching spaces	8	4	32		2	3	6		31-Mar-2024	Reduce	
GSMD DDP 002	Reduced Recruitment and Retention of Key Staff	4	4	16		2	2	4		30-Sep-2023	Reduce	



Code	Title	Current Impact	Current Likelihood	Current Risk Score	Current score	Target Impact	Target Likelihood	Target Risk Score	Target score	Target Date	Risk Approach	Flight Path
GSMD SUS 002	Inability to deliver a balanced and sustainable model over the School's Business Cycle	4	4	16		2	2	4		31-Mar-2023	Reduce	

## Department Description Town Clerk's

Department Description: Town Clerk's 1

Code	Title	Current Impact	Current Likelihood	Current Risk Score	Current score	Target Impact	Target Likelihood	Target Risk Score	Target score	Target Date	Risk Approach	Flight Path
TC PA 03	Fraud and Cyber Crime Reporting & Analysis Service (FCCRAS) Procurement	8	3	24		8	2	16		31-Mar-2024	Reduce	

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