



Audit and Risk Management Committee

Date: MONDAY, 6 NOVEMBER 2023
Time: 10.00 am
Venue: COMMITTEE ROOMS, GUILDHALL

Members:

Alderman Prem Goyal, OBE (Chairman)	Alderman and Sheriff Broniek Masojada
Gail Le Coz (Deputy Chair)	Judith Pleasance
Naresh Hari Sonpar (Deputy Chairman)	Karen Sanderson (External Member)
Deputy Rehana Ameer	Ruby Sayed
Deputy Randall Anderson	Paul Singh
Alderman Alexander Barr	Dan Worsley (External Member)
Deputy Christopher Boden	Aaron Anthony Jose Hasan D'Souza
Deputy Henry Colthurst (Ex-Officio Member)	

Enquiries: Ben Dunleavy
ben.dunleavy@cityoflondon.gov.uk

Accessing the virtual public meeting

Members of the public can observe all virtual public meetings of the City of London Corporation by following the below link:

<https://www.youtube.com/@CityofLondonCorporation/streams>

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

Whilst we endeavour to livestream all of our public meetings, this is not always possible due to technical difficulties. In these instances, if possible, a recording will be uploaded following the end of the meeting.

Ian Thomas CBE
Town Clerk and Chief Executive

AGENDA

Part 1 - Public Agenda

1. **APOLOGIES**

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

3. **MINUTES OF THE PREVIOUS MEETING**

To agree the public minutes and non-public summary of the previous meeting held on 11 September 2023.

For Decision
(Pages 5 - 10)

4. **OUTSTANDING ACTIONS OF THE COMMITTEE**

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

For Information
(Pages 11 - 12)

5. **COMMITTEE WORK PROGRAMME**

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

For Information
(Pages 13 - 24)

Financial Statements

6. **2022-23 CITY'S CASH FINANCIAL STATEMENTS**

Report of the Chamberlain.

For Decision
(Pages 25 - 32)

7. **CITY BRIDGE FOUNDATION ANNUAL REPORT AND FINANCIAL STATEMENTS 2022/23**

Report of the City Bridge Foundation & Charities Finance Director (representing The Chamberlain) and the Managing Director, City Bridge Foundation.

For Decision
(Pages 33 - 38)

8. **SUNDRY TRUSTS ANNUAL REPORT AND FINANCIAL STATEMENTS 2022/23**
Report of the City Bridge Foundation & Charities Finance Director (representing The Chamberlain) and the Managing Director, City Bridge Foundation.
- For Decision**
(Pages 39 - 42)

9. **CITY FUND AND PENSION FUNDS STATEMENT OF ACCOUNTS UPDATE**
Report of the Chamberlain.
- For Information**
(Pages 43 - 50)

Other

10. **TREASURY MANAGEMENT OUTTURN AS AT 31 MARCH 2023**
Report of the Chamberlain.
- For Discussion**
(Pages 51 - 60)

Internal Audit

11. **INTERNAL AUDIT UPDATE**
Report of the Chamberlain.
- For Information**
(Pages 61 - 72)

Anti Fraud and Corruption

12. **COUNTER FRAUD & INVESTIGATIONS - 2023/24 MID-YEAR UPDATE REPORT**
Report of the Chamberlain.
- For Information**
(Pages 73 - 82)

Risk Management

13. **RISK MANAGEMENT UPDATE**
Report of the Chief Strategy Officer.
- For Information**
(Pages 83 - 124)

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

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

16. **EXCLUSION OF THE PUBLIC**

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

For Decision

Part 2 - Non-Public Agenda

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

To agree the non-public minutes of the previous meeting held on 11 September 2023.

For Decision
(Pages 125 - 126)

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

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

AUDIT AND RISK MANAGEMENT COMMITTEE

Monday, 11 September 2023

Minutes of the meeting of the Audit and Risk Management Committee held at Guildhall, EC2 on Monday, 11 September 2023 at 10.00 am

Present

Members:

Alderman Prem Goyal, OBE (Chairman)
Gail Le Coz (Deputy Chair, External)
Naresh Hari Sonpar (Deputy Chairman)
Deputy Randall Anderson
Alderman Alexander Barr
Alderman and Sheriff Bronek Masojada
Paul Singh
Dan Worsley (External Member)

Officers:

Caroline Al-Beyerty	- The Chamberlain
Michael Cogher	- Comptroller and City Solicitor
Emma Moore	- Chief Operating Officer
Dionne Corradine	- Chief Strategy Officer
Matthew Lock	- Chamberlain's Department
Daniel Peattie	- Chamberlain's Department
Sonia Virdee	- Chamberlain's Department
Zakki Ghauri	- Chief Operating Officer's Department
Nathan Omane	- City Bridge Foundation
John Galvin	- City Surveyor's Department
Ben Dunleavy	- Town Clerk's Department
Barbara Hook	- Town Clerk's Department
Olivia Plunkett	- Town Clerk's Department
Tabitha Swann	- Town Clerk's Department

Also in Attendance

Nick Halliwell	- Grant Thornton
Sophia Brown	- Grant Thornton

1. APOLOGIES

Apologies for absence were received from Deputy Christopher Boden.

Judith Pleasance, James St John Davis and Karen Sanderson 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 10 July 2023 were approved as a correct record.

4. **ACTION TRACKER**

Members received the Outstanding Actions.

Members noted that two items from the minutes to be added to the Outstanding Actions:

- The covering report for the Internal Audit Annual Report to include information on next Audit Plan
- A deep dive on CR39 Recruitment and Retention

5. **COMMITTEE WORK PROGRAMME**

The Committee's work programme was noted.

6. **ANNUAL TERMS OF REFERENCE REVIEW**

Members received a report of the Town Clerk concerning the Committee's terms of reference.

The Deputy Chair (External) noted that items (d) and (k) duplicated the need to report to the Court of Common Council, and suggested removing one. The Deputy Chair also suggested amending the terms of reference to eliminate the need to hold meetings of the Nominations and Effectiveness Sub-Committee.

RESOLVED, that – Members endorse the following changes to the terms of reference:

- a) Amend the Committee's composition to allow the Finance Chairman and Deputy Chairman to appoint representatives.
- b) Delete item (k) as a duplicate
- c) Delete item (i)

7. **CITY FUND AND PENSION FUNDS STATEMENT OF ACCOUNTS UPDATE**

Members received a report of the Chamberlain concerning the City Fund and Pension Fund Statement of Accounts.

Members noted that a briefing session on the final version of 21/22 accounts would be held for the Committee, along with Members of the Finance Committee. This would aid in informing the Chamberlain's delegation. The Chamberlain confirmed, following a question from a Member, that this briefing meeting would include the terms of the ISA 260 report. Any changes resulting from the briefing would be circulated to Members of both the Audit and Risk Management and Finance Committees to provide assurance that it had gone through the usual process.

RESOLVED, that – Members:

- a) Note the progress made on the 2020/21 Statement of Accounts.

- b) Consider the Audit Progress Report 2021/22 as set out in Appendix 2.
- c) Note the responses from Management as per Appendix 3 and Appendix 4.
- d) Authorise the Chamberlain, in consultation with the Chairman and Deputy Chairman of the Audit and Risk Management Committee, to approve any significant changes to the 2021/22 Statement of Accounts that may be necessary prior to the issuance of the audit opinion by Grant Thornton (GT), expected by the end of September 2023.

8. **CITY FUND AND PENSION FUND AUDIT PLAN 22-23**

Members received a report of the Chamberlain concerning the City Fund and Pension Fund Audit Plan.

RESOLVED, that – Members:

- a) Note the Indicative City Fund Audit Plan for 2022/23 as set out in Appendix 1.
- b) Note the Indicative Pension Fund Audit Plan for 2022/23 as set out in Appendix 2.

9. **INTERNAL AUDIT UPDATE**

Members received a report of the Chamberlain concerning the work of Internal Audit.

Following a request from the Deputy Chair (External), the Head of Internal Audit undertook to include a summary of follow-ups on outstanding actions and further information on underway/completed/planned audits in future reports.

Members noted that the Head of Internal Audit's confidence that the increase in his team's capacity would provide a beneficial impact on its work.

A Member asked how concerned the Committee should be regarding the City of London School's financial controls. In reply, the Head of Internal Audit said that the Committee should allow the School time to implement his recommendations, with the time for concern being if there were any challenges in doing this.

A Member asked the Head of Internal Audit for an update on his progress on his annual opinion. In reply, the Head of Internal Audit said he was taking an iterative approach and working towards a continual opinion. Members noted that the Head of Internal Audit was taking an iterative approach in working towards his Annual Opinion, and requested future reports included further information on his progress.

RESOLVED, that – Members note the outcomes of completed Internal Audit work.

10. RISK MANAGEMENT UPDATE

Members received a report of the Chief Operating Officer concerning risk management.

Members discussed the report and risks including CR38 and CR39 on the Medium Term Finances and CR16 Information Security.

Members noted the gratitude of the Chief Strategy Officer for her teams work.

RESOLVED, that – Members note:

- a) The report and the corporate and top red departmental risk registers.
- b) That the total number of corporate risks remained at 15, with all risk scores also remaining the same, bar CR09, which had increased from Amber 8 to Amber 12 and renamed Health, Safety and Fire Risk Management System (from Health, Safety and Wellbeing Risk (management system)).
- c) That one risk had been de-escalated to Amber and one risk had been added to the red departmental risk register. The overall number of risks (26) remained the same as the last written update.

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

A Member asked a question concerning the exposure to reinforced autoclaved aerated concrete (RAAC) across the City Corporation's collective estate, and the plans to assess and mitigate any impact buildings.

Officers replied that the City of London Girls School was only school which had reported RAAC. This had been identified in 2022. Detailed studies had revealed that there were no significant structural defects, with inaccessible areas unlikely to contain RAAC. Officers were in the process of reviewing other buildings on the estate over the following weeks. An officer working party had been established to review this work, which would report to the Health and Safety Board and the Corporate Services Committee and the Resource Allocation Sub-Committee as the relevant committees. There had been no prior process to look for RAAC specifically, but there was now a requirement to compile a RAAC register.

12. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

The Chair asked the Head of Internal Audit if he had experienced any pressure from Members regarding the execution of his work. In reply, the Head of Internal Audit confirmed that he had not received any direction or attempts to influence his work from any Members or senior officers beyond what might be expected through routine discussion in relation to potential risks that might be examined. If he felt someone was attempting to do this, he would raise it with the Chairman and Deputy Chairs of the Committee, and the Chamberlain as the Section 151 officer. If he felt the matter was sufficiently serious, he would request a private meeting with the Committee as provided for under the Committees terms of reference.

The Chairman raised a recent issue regarding communication between the Chairman of the Policy and Resources Committee and the City Solicitor concerning an information breach. The Comptroller and City Solicitor explained that this related to a data breach on the annual canvas. The Assistant Town Clerk had written to all Members informing them an external company to which the distribution of the canvas was outsourced had put 2,000 forms in incorrect envelopes. The breach was unusual in that residents had been aware of the incident before City Corporation officers and had raised it with elected Members. Although the breach was a borderline case in terms of needing to be reported to the information commission, once aware the City Solicitor had decided it would be appropriate to report it given the numbers affected. This subsequently triggered a standard procedure to inform the necessary Chairs. Officers were continuing to liaise with the printing company to ascertain what had happened. The City Solicitor was confident that he had made the correct decision based on his statutory judgement.

The Head of Internal Audit informed Members that the Internal Audit and Counter Fraud team had been shortlisted for the Outstanding Fraud Prevention, Detection and Recovery Award in the Public Finance Awards 2023.

The Chief Strategy Officer provided Members with a progress update on the Corporate Plan.

13. EXCLUSION OF THE PUBLIC

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

14. NON-PUBLIC MINUTES OF THE PREVIOUS MEETING

The non-public minutes of the meeting held on 10 July 2023 were approved as a correct record.

Matters arising

The Deputy Chair (External) asked the Head of Internal Audit if his work had shown anti-fraud controls to be effective. In reply, the Head of Internal Audit said that fraud risk was part of his ongoing assessment and undertook to provide further information on the controls in a future report.

The Deputy Chair (External) asked if there was a full understanding of the donated assets that the City Corporation had an obligation to maintain. Officers advised that there was currently work on cross-cutting themes in the Risk Register, including on the City Corporation's charitable assets. The Chamberlain added that the Corporate Charity Review was reviewing each charity and was ensuring that donated assets were properly covered. Officers expected to have a stronger picture in the next twelve months, once these pieces of work had been completed.

The Deputy Chair (External) requested that officers investigate the options for organising an informal meeting between Members and Grant Thornton.

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

There were no questions in the non-public session.

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

The Chairman provided Members with an update on the Committee's Annual Dinner in January, and asked them to contact him with the details of any external guests that they thought would be appropriate to invite.

The meeting ended at 11:22.

Chairman

**Contact Officer: Ben Dunleavy
ben.dunleavy@cityoflondon.gov.uk**

AUDIT AND RISK MANAGEMENT COMMITTEE – Action Tracker – September 2023

Items from meeting held 22 November 2022		
ITEM	Action	Officer and target date
12. Any Other Business	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.	Chief Strategy Officer – ongoing

Items from meeting held 10 July 2023		
ITEM	Action	Officer and target date
8. Internal Audit Charter	Include information on next year's Audit Plan in the covering report for the Internal Audit Annual Report.	Head of Internal Audit – May 2024
11. Risk Management Update	Carry out a Deep Dive on CR39 Recruitment and Retention	Head of Internal Audit
15. Non-Public Minutes	Investigate governance structures for donated assets	Chief Strategy Officer - ongoing

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Audit and Risk Management Committee

Work Programme – Linked to CIPFA Audit Committees Position Statement 2022

06/11/223	
Work Item	Link to CIPFA Position Statement
<p>Draft City Bridge Foundation Accounts (decision) Annual Review of the Financial Statements for the City Bridge Foundation and the Annual Report</p>	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.
<p>Draft City's Cash Accounts (decision) Annual review of the Financial Statements for City's Cash</p>	Support the maintenance of effective arrangements for financial reporting and review the statutory statements of account and any reports that accompany them.
<p>Draft City Fund Accounts (information) Update on the Financial Statements for City Fund and Pension Fund</p>	
<p>Draft Sundry Trusts Annual Report and Financial Statements (Decision) Annual review of the Financial Statements for the Sundry Trusts</p>	<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>
<p>Internal Audit Update Report (information) Regular (approx. quarterly) update from the Head of Internal Audit, covering:</p> <ul style="list-style-type: none"> ▪ key findings from work completed during the period since the last Committee update (including recommendation follow-up) ▪ status update for work in progress <p>intended programme of work for the period up to the next Committee update</p>	<p>In relation to the authority's internal audit functions:</p> <ul style="list-style-type: none"> ▪ oversee its independence, objectivity, performance and conformance to professional standards ▪ support effective arrangements for internal audit ▪ promote the effective use of internal audit within the assurance framework.

Audit and Risk Management Committee

Work Programme – Linked to CIPFA Audit Committees Position Statement 2022

Risk Management Update (information)	Consider the effectiveness of the authority's risk management arrangements. 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.
Treasury Management Outturn (discussion	
Counter-Fraud & Investigations – Mid-year update report	

Audit and Risk Management Committee

Work Programme – Linked to CIPFA Audit Committees Position Statement 2022

26 February 2024	
Work Item	Link to CIPFA Position Statement
<p>Terms of Reference of the Committee (information) Annual review of the Terms of Reference of the Committee, giving due regard to relevant legislation and professional guidance.</p>	<p>Consider the arrangements in place to secure adequate assurance across the body's full range of operations and collaborations with other entities.</p>
<p>External Audit Plans (Information) External Audit planning for City's Cash, City Fund and Pension Fund, and City Bridge Foundation</p>	<p>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.</p> <p>Support the maintenance of effective arrangements for financial reporting and review the statutory statements of account and any reports that accompany them.</p> <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>

Audit and Risk Management Committee

Work Programme – Linked to CIPFA Audit Committees Position Statement 2022

<p>Internal Audit Update Report (information)</p> <p>Regular (approx. quarterly) update from the Head of Internal Audit, covering:</p> <ul style="list-style-type: none"> ▪ key findings from work completed during the period since the last Committee update (including recommendation follow-up) ▪ status update for work in progress ▪ intended programme of work for the period up to the next Committee update 	<p>In relation to the authority’s internal audit functions:</p> <ul style="list-style-type: none"> ▪ oversee its independence, objectivity, performance and conformance to professional standards ▪ support effective arrangements for internal audit ▪ promote the effective use of internal audit within the assurance framework.
<p>Corporate Risk In-Depth Review (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>Consider the effectiveness of the authority’s risk management arrangements. 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>Risk Management Update (information)</p>	<p>Consider the effectiveness of the authority’s risk management arrangements. 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>

Audit and Risk Management Committee

Work Programme – Linked to CIPFA Audit Committees Position Statement 2022

13 May 2024	
Work Item	Link to CIPFA Position Statement
<p>Internal Audit Update Report (information)</p> <p>Regular (approx. quarterly) update from the Head of Internal Audit, covering:</p> <ul style="list-style-type: none"> ▪ key findings from work completed during the period since the last Committee update (including recommendation follow-up) ▪ status update for work in progress ▪ intended programme of work for the period up to the next Committee update 	<p>In relation to the authority’s internal audit functions:</p> <ul style="list-style-type: none"> ▪ oversee its independence, objectivity, performance and conformance to professional standards ▪ support effective arrangements for internal audit ▪ promote the effective use of internal audit within the assurance framework.
<p>Counter Fraud and Investigations 12 Month Report (information)</p> <p>Report summarising the outcomes from Counter Fraud and Investigation activity for the 12 months from April to March.</p>	<p>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.</p>
<p>Corporate Risk In-Depth Review (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>Consider the effectiveness of the authority’s risk management arrangements. 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>

Audit and Risk Management Committee

Work Programme – Linked to CIPFA Audit Committees Position Statement 2022

<p>Risk Management Update (information) Annexes included:</p> <ul style="list-style-type: none"> ▪ Full Corporate Risk Register (first meeting of new municipal year) ▪ Summary report of corporate risks ▪ Summary report of red departmental risks 	<p>Consider the effectiveness of the authority’s risk management arrangements. 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>Head of Internal Audit Annual Opinion (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.</p>	<p>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.</p>
<p>Annual Report of the Committee (decision) 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

8 July 2024	
Work Item	Link to CIPFA Position Statement
<p>Internal Audit Update Report (information)</p> <p>Regular (approx. quarterly) update from the Head of Internal Audit, covering:</p> <ul style="list-style-type: none"> ▪ key findings from work completed during the period since the last Committee update (including recommendation follow-up) ▪ status update for work in progress ▪ intended programme of work for the period up to the next Committee update 	<p>In relation to the authority’s internal audit functions:</p> <ul style="list-style-type: none"> ▪ oversee its independence, objectivity, performance and conformance to professional standards ▪ support effective arrangements for internal audit ▪ promote the effective use of internal audit within the assurance framework.
<p>Internal Audit Charter (information)</p> <p>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.</p>	<p>In relation to the authority’s internal audit functions:</p> <ul style="list-style-type: none"> ▪ oversee its independence, objectivity, performance and conformance to professional standards ▪ support effective arrangements for internal audit ▪ promote the effective use of internal audit within the assurance framework.
<p>Corporate Risk In-Depth Review (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>Consider the effectiveness of the authority’s risk management arrangements. 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>

Audit and Risk Management Committee

Work Programme – Linked to CIPFA Audit Committees Position Statement 2022

<p>Risk Management Update (information)</p> <p>Annexes included:</p> <ul style="list-style-type: none">▪ Corporate Risk register above appetite▪ Summary report of corporate risks▪ Summary report of red departmental risks	<p>Consider the effectiveness of the authority's risk management arrangements. 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>Draft Annual Governance Statement (decision)</p> <p>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.</p>	<p>Support a comprehensive understanding of governance across the organisation and among all those charged with governance, fulfilling the principles of good governance.</p>

Audit and Risk Management Committee

Work Programme – Linked to CIPFA Audit Committees Position Statement 2022

23 September 2024	
Work Item	Link to CIPFA Position Statement
Draft City Fund Accounts (decision) Annual review of the Financial Statements for City Fund	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.
Draft City Bridge Foundation Accounts (decision) Annual Review of the Annual Report and Financial Statements for City Bridge Foundation.	<p>Support the maintenance of effective arrangements for financial reporting and review the statutory statements of account and any reports that accompany them.</p> <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>

Audit and Risk Management Committee

Work Programme – Linked to CIPFA Audit Committees Position Statement 2022

<p>Internal Audit Update Report (information)</p> <p>Regular (approx. quarterly) update from the Head of Internal Audit, covering:</p> <ul style="list-style-type: none"> ▪ key findings from work completed during the period since the last Committee update (including recommendation follow-up) ▪ status update for work in progress ▪ intended programme of work for the period up to the next Committee update 	<p>In relation to the authority’s internal audit functions:</p> <ul style="list-style-type: none"> ▪ oversee its independence, objectivity, performance and conformance to professional standards ▪ support effective arrangements for internal audit ▪ promote the effective use of internal audit within the assurance framework.
<p>Internal Audit Conformance with Public Sector Internal Audit Standards (information)</p> <p>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.</p>	<p>In relation to the authority’s internal audit functions:</p> <ul style="list-style-type: none"> ▪ oversee its independence, objectivity, performance and conformance to professional standards ▪ support effective arrangements for internal audit ▪ promote the effective use of internal audit within the assurance framework.
<p>Corporate Risk In-Depth Review (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>Consider the effectiveness of the authority’s risk management arrangements. 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>Risk Management Update (information)</p>	<p>Consider the effectiveness of the authority’s risk management arrangements. 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>

Audit and Risk Management Committee

Work Programme – Linked to CIPFA Audit Committees Position Statement 2022

<p>Counter Fraud and Investigations 6 Month Report (information) Report summarising the outcomes from Counter Fraud and Investigation activity for the 6 months from April to September.</p>	<p>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.</p>
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<p>4 November 2024</p>	
<p>Work Item</p>	<p>Link to CIPFA Position Statement</p>
<p>Draft City's Cash Accounts (decision) Annual review of the Financial Statements for City's Cash</p>	<p>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.</p>
<p>Draft City Fund Accounts (decision) Annual review of the Financial Statements for City Fund</p>	<p>Support the maintenance of effective arrangements for financial reporting and review the statutory statements of account and any reports that accompany them.</p>
<p>Draft Sundry Trusts Annual Report and Financial Statements (Decision) Annual review of the Financial Statements for the Sundry Trusts</p>	<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>

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Agenda Item 6

Committee(s): Audit and Risk Management Committee – For decision Finance Committee – For decision	Dated: 06/11/2023 08/11/2023
Subject: 2022-23 City's Cash Financial Statements	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	N/A
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: The Chamberlain	For Decision
Report author: Daniel Peattie, Assistant Director – Strategic Finance	

Summary

The Revised Annual Report and Consolidated Financial Statements for the City's Cash, for the year ended 31 March 2023, are attached in Appendix 2 for approval. This revised version incorporates three significant changes identified during the audit of the accounts submitted in September 2023. These changes are discussed in further detail in paragraph 1 below.

In addition, the 9 Annual Reports and Financial Statements of the Open Spaces and sundry trusts charities which are consolidated within the City's Cash accounts (listed at paragraph 2 below) are attached at Appendix 3 for approval.

The key points in the consolidated financial statements are:

- a net deficit for the period of £328.4m, which includes gains in fair value of non-property investments (£3.9m) and losses in fair value of property investments (£216.2m) as shown in the Consolidated Statement of Comprehensive Income on page 19. It's important to note that the financial statements and the budget cannot be directly compared due to differences in their construction methods. However, when compared to the budgeted net deficit of £71.4m, the actual outcome, when adjusted for these differences, is a more favourable net deficit of £55.7m. This represents a favourable movement of £15.7m in the net deficit, when compared to the budgeted figure, which can be attributed to the planned use of reserves. Further information can be found in paragraph 15, as well as in Appendix 1;
- total net assets of £2,827.2m, a decrease of £18.2m (0.6%) since last year. The net asset position is taken after deducting the total pensions liability of £65.6m and the outstanding long term loan liabilities of £449m. This increase is largely due to a reduction in the net pension liability of £283m (the £18.2m is shown in the Consolidated Statement of Changes in Equity on page 21);

- financial commitments relating to City's Cash are disclosed in the notes to the financial statements and are summarised as follows:
 1. the potential contribution of £50m from City's Cash towards the Crossrail Project (page 50, point c); and
 2. Barking Reach Power station work (£18.0m), refurbishment of 213-215 Tottenham court Road (£2.7m) and Smithfield Annexe refurbishment (£1.6m) (page 50, point a); and

No significant matters are noted in the individual financial statements of the 9 consolidated charities. As in previous years the majority of the charities' income was from City's Cash grants, although income from other sources increased in the year.

Recommendation(s)

The **Audit and Risk Management** Committee is requested to:

- **Consider** the contents of the Draft City's Cash Initial Audit Findings Report 2022-23 issued by Crowe UK LLP as set out in Appendix 4; and
- **Recommend** approval of the 2022-23 City's Cash Financial Statements, and the financial statements of each of the 9 consolidated charities, for the year ended 31 March 2023 to Finance Committee.

The **Finance Committee** is requested to:

- **Consider** the contents of the Draft City's Cash Initial Audit Findings Report 2022-23 issued by Crowe UK LLP as set out in Appendix 4;
- **Consider** the resolution from the Audit and Risk Management Committee and, if appropriate, **approve** the 2022-23 City's Cash Financial Statements, and the financial statements of each of the 9 consolidated charities, for the year ended 31 March 2023, to be signed by the Chairman and Deputy Chairman of the Finance Committee on behalf of the Court of Common Council.;
- **Authorise** the Chamberlain, in consultation with the Chairman and Deputy Chairman of the Finance Committee, to approve any material changes to the statement of accounts and annual reports and financial statements required before the signing of the audit opinion by Crowe UK LLP – which is expected by the end of November 2023 for City's Cash consolidated financial statements, and for the consolidated charities.

Main Report

Current Position

1. The Revised 2022-23 Annual Report and Consolidated Financial Statements for City's Cash, as presented in Appendix 2, are submitted for approval. This revised version incorporates three significant changes identified during the audit of the accounts submitted in September 2023:
 - Double counting of school's income (£4.7m) – during audit testing of education income back to the accounts, it was discovered that £4.7m of education income was incorrectly double counted in both income and reserves. This error has been rectified in the revised financial statements.
 - Missing depreciation charge (£0.7m) – audit of City's Cash fixed assets revealed an omission in the depreciation charge. Several tangible fixed assets were identified as not being depreciated, leading to an overstatement of the value of tangible fixed assets in the statement of financial position. The missing depreciation charge of £0.7m has been appropriately accounted for in the revised financial statements.
 - Double counting of investment properties (£84.3) – during a review of investment properties uncovered an error in the recognition of valuations for in-year additions. These valuations were erroneously recognised separately, resulting in an overstatement of the value of investment properties in the statement of financial position by £84.3m. This misstatement has been rectified, and the corrected valuation is reflected in the revised financial statements.
2. The Annual Reports and Financial Statements for each of the consolidated charities for the same period are attached at Appendix 3 for approval. The 9 charity financial statements are listed below with their charity numbers, and are made up of the Open Spaces and other consolidated sundry trusts:
 - i. Ashtead Common (registered charity no. 1051510)
 - ii. Highgate Wood and Queen's Park Kilburn (registered charity no. 232986)
 - iii. West Ham Park (registered charity no. 206948)
 - iv. Hampstead Heath Charity (registered charity no. 803392), incorporating the linked charity the Hampstead Heath Trust Fund (registered charity no. 803392-1)
 - v. Sir Thomas Gresham Charity (registered charity no. 221982)
 - vi. Keats House (registered charity no. 1053381)
 - vii. Burnham Beeches and Stoke Common (registered charity no. 232987)
 - viii. Epping Forest (registered charity no. 232990)
 - ix. West Wickham Common and Spring Park Wood (registered charity no. 232988) & Coulsdon and Other Commons (registered charity no. 232989)
3. Our auditors have provided a draft initial audit findings report reflecting progress and outstanding items as at the time of writing, which largely revolves around a few outstanding areas of fieldwork and their internal review processes (see page 5 of Appendix 4). An update will be provided at the Audit and Risk Management

Committee on further progress made, highlighting any further issues identified outside those included in the audit finding report. Representatives from Crowe UK LLP will attend the Audit and Risk Management Committee to present their report and to clarify any points or issues.

4. Members will be aware that in order to comply with the covenants in the private placement Note Purchase Agreement, the audited City's Cash consolidated financial statements along with an opinion that states that such financial statements give a true and fair view of the financial position of City's Cash, must be submitted to the private placement lenders as soon as they become available but in any event within 270 days after the end of each financial year (i.e. by 26 December).
5. The 9 sets of charity financial statements must be submitted to the Charity Commission within 10 months of their financial year end, i.e. by 31 January 2024.

Other significant items in City's Cash disclosure notes (pages 31 to 58)

Loans

6. In August 2019, the City issued debt totally £450m via private placement of which £250m was received in September 2019 with the remaining £200m being received in July 2021 (page 43).
7. Interest expense in 2022-23 amounted to £10.5m (2021-22: £9.2m). In addition, there were transaction costs of £1.1m which have been capitalised to the loan account and shall be amortised over the life of the loans.

Financial Commitments (page 50)

8. Contribution to Crossrail - the potential contribution of £50m from City's Cash towards the Crossrail Project has been disclosed as a financial commitment in both the annual report and the notes to the financial statements.
9. Contract commitments – Barking Reach Power station work (£18.0m), refurbishment of 213-215 Tottenham court Road (£2.7m) and Smithfield Annexe refurbishment (£1.6m).

Highlights from the Consolidated Statement of Comprehensive Income

Comparison with Previous Year

10. A summary of the Consolidated Statement of Comprehensive Income for the year ending 31 March 2023 is shown below. A deficit of £328.4m was achieved for the year, a negative movement of £434.9m from the £106.5m surplus in the previous year. Details of the movements from the previous year are described below.

	31/03/2023 £m	31/03/2022 £m	Variance £m
Operating deficit before gains in fair value of investments	(124.3)	(97.6)	(26.7)
Gain/(Loss) in fair value of property investments	(216.2)	124.2	(340.4)
Gain/(Loss) in fair value of non-property investments	3.9	69.0	(65.1)
Operating surplus/(deficit)	(336.6)	95.6	(432.2)
Profit/(Loss) on sale of fixed assets	8.9	35.9	(27.0)
Loan financing costs	(10.5)	(9.2)	(1.3)
Surplus/(Deficit) before taxation	(338.2)	122.3	(460.5)
Taxation	0.0	0.0	0.0
Deferred taxation	9.8	(15.8)	25.6
Surplus/(Deficit) for the year	(328.4)	106.5	(434.9)

11. The unfavourable movement in the operating deficit (before gains in fair value of investments) for the year of £26.7m (from £97.6m in the prior year to £124.3m) is largely due to:

- An increase in net expenditure on education of £1.4m from £15.5m in 2021-22 to £16.9m in 2022-23. The rise in expenditure has been partially offset by increased income primarily due to the opening of the City Junior School in September 2022.
- Net expenditure on Markets increasing by £29.2m from £5.9m in 2021-22 to £35.1m in 2022-23 largely due to increased costs to facilitate the Markets Consolidation Programme.
- Net income relating to investments reducing by £2.5m, from £35.8m in 2021-22 to £33.3m in 2022-23, due to the ongoing redevelopment and refurbishment of investment properties across the portfolio, the continued move to turnover rents, and outstanding rent certificates. This has been offset by a reduction of £2.2m to the bad debt provision from £5.3m in 2021-22 to £3.1m in 2022-23 to reflect the decrease in outstanding debt compared to the prior year.
- Net expenditure on Management and Administration increasing by £2.1m from £8.8m in 2021-22 to £10.9m in 2022-23 primarily due to increased support and governance costs.

These cost increases were offset by:

- Net pension scheme costs decreasing by £8.6m, from £35.4m in 2021-22 to £26.8m in 2022-23. This is due to a decrease in service costs and a reduction in losses on settlements and curtailments. Employers' contributions also decreased in year.
- Increase in general income from charges for use of facilities and licences, following a busy 2022 summer, in part due to good weather, improved position by £1.4m.

Movements in fair value of investments

12. The fair value from property investments reducing from a gain of £124.2m in 2021-22 to a loss of £216.2m in 2022-23, an adverse movement of £340.4m. This loss reflects inflationary pressures against the backdrop of faltering economic growth and continued concerns over the cost of high energy costs, following the ongoing war in Ukraine. There is a risk that continued volatility, coupled with changes in debt costs, will have a direct impact on pricing as yields continue to evolve. There remains evidence of wide bid spreads, price renegotiations and transactions taking a long time to complete, which all add to the market dynamics. Additionally, there was also a substantial loss in the value of land at Barking Power Station.
13. A reduced gain in the fair value of non-property investments of £65.1m from £69.0m in 2021-22 to £3.9m in 2022-23. This decline in the value of the portfolio's investments has been directly impacted as a result of the Bank of England's tightening monetary policy in the latter part of the year following the impact of the then Chancellor's mini-budget. Investment values have yet to recover following the downturn in financial markets but positive growth is anticipated during future periods.
14. After the operating deficit of £336.6m (2021-22: surplus of £95.6m) there was a profit on the disposal of fixed assets of £8.9m (2021-22: profit of £35.9m), a reduction of £27.0m on the previous year. In addition, there were loan financing costs of £10.5m (2021-22: £9.2m), an increase of £1.3m on the previous year due to ongoing interest repayments as the full £449.0m loan the City Corporation has agreed to support the funding of the major capital projects it is undertaking was received in 2021-22.

Comparison with Budget

15. The financial statements and the budget are not directly comparable due to differences in the way in which the two documents are constructed¹. However, compared to a budgeted net deficit of £71.4m as detailed in Appendix 1: City's Cash consolidated - Comparison with Budget on a Committee Basis, the outturn on a like for like basis is a net deficit of £55.7m, favourable movement of £15.7m.

¹ the budget includes the draw-down from non-property investments, whereas the Consolidated Statement of Comprehensive Income (CSoCI) does not as this is a transfer between investments and cash, however, the CSoCI includes the movements in fair value of investments but the budget does not account for such movements in the market value of assets. The budget also does not include accounting adjustments for holiday pay accruals and pension scheme actuarial gains or losses.

16. The net £15.7m better than budget position is largely due to slippage of supplementary revenue projects (SRP) of £2.9m and unspent contingencies of £15.5m.

Consolidated Charities Summary

17. The consolidated charities' total income across all charities for 2022-23 was £26.2 (2021-22: £23.6m), of which £16.2m (2021-22: £14.9mm) came from grants from City's Cash, with the remainder from investments (£1.6m, mainly the Hampstead Heath Trust Fund), charitable activities (£6.6m) and a small amount from donations and other grants (£1.8m). The main reasons for the overall increase in income, were an increase in the City's Cash Grant as a result of cyclical works programmes which had been on pause or deferred due to covid-19 lockdowns, alongside an increase in income from both charitable activities and donations and grants as a result of an increased focus on generating income across the charities and with a whole year without the impact of restrictions from covid-19 lockdowns. The net assets of the 9 charities at 31 March 2023 was £66.3m, of which £55.2m related to Hampstead Heath and the Hampstead Heath Trust Fund.

18. Of the 9 annual reports and financial statements, 6 were subject to a full audit and 3 (Keats House, Sir Thomas Gresham Charity, and Ashted Common) were independently examined due to the size of the charities.

Consolidated Statement of Financial Position

19. City's Cash net assets total £2,827.2m as at 31 March 2023 compared to £2,845.4m a year earlier reflecting the £18.2m loss recognised for the year as set out in the following table:

	31/03/2023 £m	31/03/2022 £m	Variance £m
Surplus/Deficit) for the year	(338.2)	122.3	(460.5)
Unrealised gains/(losses):			
Deferred taxation	9.8	(15.8)	25.6
Actuarial (loss)/gain on defined benefit pension schemes	310.2	109.5	200.7
Net (decrease)/increase in funds	(18.2)	216.0	(234.2)

20. The deferred tax position relates to Barking Power Station Limited, which is consolidated into the City's Cash accounts as a subsidiary.

21. The actuarial gain on defined benefit pension schemes is mainly due to change in assumptions underlying the present value of the pension liabilities.

Approval of the Financial Statements

22. It is recommended that the Finance Committee approve the City's Cash Financial Statements for the 2022-23 fiscal year, along with the financial statements of the 9 consolidated charities, taking account of any observations from the Audit and Risk Management Committee on 6 November 2023. Additionally, the Committee should authorise the Chamberlain, in consultation with the Chairman and Deputy Chairman of the Finance Committee, to approve any significant changes to the accounts and annual reports before the audit opinion, anticipated by the end of November 2023, is signed by Crowe UK LLP for both the City's Cash consolidated financial statements and the consolidated charities.

Daniel Peattie

Assistant Director – Strategic Finance

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Appendices

- Appendix 1 – City's Cash consolidated - Comparison with Budget on a Committee Basis
- Appendix 2 – City's Cash Annual Report and Financial Statements 2022-23
- Appendix 3a – Ashted Common 2022-23
- Appendix 3b – Highgate Wood and Queen's Park Kilburn 2022-23
- Appendix 3c – West Ham Park 2022-23
- Appendix 3d – Hampstead Heath Charity incorporating Hampstead Heath Trust Fund 2022-23
- Appendix 3e – Sir Thomas Gresham Charity 2022-23
- Appendix 3f – Keats House 2022-23
- Appendix 3g – Burnham Beeches and Stoke Common 2022-23
- Appendix 3h – Epping Forest 2022-23
- Appendix 3i – West Wickham Common and Spring Park Wood & Coulsdon and Other Commons 2022-23
- Appendix 4 – Draft City's Cash Initial Audit Findings Report 2022-23

Background Papers

None

Committee: Audit and Risk Management	Dated: 6 November 2023
Subject: City Bridge Foundation Annual Report and Financial Statements 2022/23	Public
Which outcomes in the <i>CBF Bridging London 2020 – 2045 Strategy</i> does this proposal aim to support?	1, 2, 3
Does this proposal require extra revenue and/or capital spending?	No
Report of: The City Bridge Foundation & Charities Finance Director (representing The Chamberlain) and the Managing Director, City Bridge Foundation	For Decision
Report author: Nicole Monteiro, Reporting Accountant, City Bridge Foundation	

Summary

The draft Annual Report and Financial Statements for City Bridge Foundation (CBF) for the year ended 31 March 2023 are provided for review and recommendation for approval to the CBF Board. In September 2023 a new brand and working name was launched, representing all aspects of the charity’s work. The new name, City Bridge Foundation, was submitted to, and approved by the Court of Common Council. The charity continues to be registered with the Charity Commission under it’s legal name Bridge House Estates.

Crowe U.K. LLP (Crowe) has substantially completed their audit work and intend to issue an unqualified opinion.

Crowe commenced its audit on 3 July 2023, with work carried out in person from Guildhall as well as remotely. Representatives from Crowe will attend the Audit and Risk Management Committee meeting to present their audit completion report.

Recommendations:

The Audit and Risk Management Committee are asked to:

- Consider the contents of the audit completion report issued by Crowe (Appendix 2).
- Recommend approval of the CBF Annual Report and Financial Statements for the year ended 31 March 2023 to the CBF Board; and
- Authorise to the Managing Director of CBF and the CBF and Charities Finance Director (representing the Chamberlain), in consultation with the Chair and Deputy Chair of the CBF Board, for approval of any material change to the financial statements required before the signing of the audit opinion by Crowe.

Main Report

Introduction

1. The 2022/23 Annual Report and Financial Statements for CBF for the year ended 31 March 2023 are presented for review.
2. The Charity Commission require charities to submit their Annual Report within 10 months of their financial year-end. As a significant charity within the sector, CBF looks to demonstrate good governance in making available its annual report on a timely basis well ahead of the final submission deadline.
3. Approval of the 2022/23 Annual Report and Financial Statements will be undertaken by the CBF Board, following review and recommendation by the Audit and Risk Management (ARM) Committee, as per the reference made to ARM Committee by the CBF Board. This is in line with the Terms of Reference of the CBF Board. The approved Report will be presented to the Court of Common Council.

Audit Opinion

4. Crowe intend to issue an unqualified audit opinion. Their report will reference the work undertaken to provide assurance that the financial statements, taken as a whole, are free from material misstatements whether caused by fraud or error.

Statement of Financial Activities

Income

5. Total income for the year was £35.3m, an increase of £1.2m on the previous year (£34.1m).
6. Tower Bridge tourism continued its post-pandemic recovery in 2022/23, progressing much faster than predicted. The income derived from visitor admissions, retail and events at Tower Bridge increased to £7.6m from the previous year's £3.1m. The cost-of-living crisis had been expected to impact visitor numbers and overall income; however, this has not yet materialised possibly because, compared to many other tourist attractions in London, Tower Bridge has a more accessible price point.
7. Investment income, from the property portfolio and the financial investment holdings of the charity, totalled £27.2m, a reduction of £3.2m compared to previous year. Within this total, property rental income reduced due to voids and properties undergoing refurbishment. The reduction in financial investments income was driven by lower private equity distributions compared to previous year.
8. The remainder of the charity's investment income comes from interest earned from treasury deposits and social investments held, at £0.1m (2021/22: £0.3m).
9. Other income of £0.4m includes fees receivable by the charity for undertaking

administrative duties on behalf of other organisations and film and licences income for granting access to third parties to the bridges.

Expenditure

10. Total expenditure for 2022/23 was £103.7m, an increase of £37.1m on the previous year.
11. Expenditure on supporting and maintaining the bridges increased in the year by £8.2m to £18.0m. The refurbishment of Blackfriars Bridge continued alongside a project on the Southwark Bridge Approach Spans as well as other cyclical improvement works taking place for all five bridges. At Tower Bridge, in light of the additional income, a range of activity-related spend proposals were approved including projects that were deferred during the pandemic. The increase in expenditure is also due to the increased cost of goods sold by the gift shop following higher demand. The overall increase in charitable activities expenditure was attributable to the increase in funding activities with a record high in grant commitments made in the year, totalling £65.3m (including linked operational spend), an increase of £30.8m. This increase reflects the commitments that are being made from the additional £200m that was approved from surplus income in March 2020.
12. Expenditure on raising funds decreased to £12m (2021/22: £15.3m). This was driven by fees relating to the management of the charity's financial investments being based on the market value of assets under management, which decreased over the year. Property investment expenditure reduced due to lower than anticipated business rates costs as properties were let faster than expected. There was also a reduction in staff costs following the previous disposal of a property that required onsite management.

Gains and Losses

13. Total losses of £60.9m were reported as at 31 March 2023, compared to gains of £104.5m for the previous year which is split between gains on financial investments (£1.8m) and net losses on property investments (£62.5m) and on social investments (£0.2m).

Balance Sheet

14. The Balance Sheet depicts the total funds held by the charity as at 31 March 2023, which decreased by £109.0m to £1,613.4m (2022: £1,722.4m). This reduction was driven by the investment losses noted above, alongside planned additional expenditure on grant-making. Total funds held comprise:
 - a. the permanent endowment fund at £969.2m (2021/22: £1,030.1m), held in perpetuity to generate sufficient income to enable the charity to meet its primary object of maintaining and supporting the five river bridges across the Thames, with the remaining surplus income available to undertake the ancillary object of the charity:

b. The unrestricted income funds of the charity include both the general fund (free reserves) and a number of designated funds as noted in paragraphs 15 -16 below. As at 31 March 2023, these funds totalled £644.2m (2022: £691.8m) being net of £4.3m held to cover the pension deficit (2022: £22.8m).

c. Restricted funds held as at the year-end was nil (2022: £0.5m).

15. Designated funds consist of unrestricted income funds which the Trustee has decided to set aside for specific purposes over the short to medium term. These totalled £489.0m (2022: £494.8m), with key funds being:

a. Bridges Repair Fund - representing the funds required to maintain the five bridges for the next five years, being the higher of the average annual cost over the 50-year plan or the next five years forecast activity. In the year £11.6m was transferred to this fund with £50.8m now set aside to cover costs planned over the next five years (2022: £56.2m);

b. Bridges Replacement fund - this represents funds set aside to fund the future rebuild of the bridges. This is based on the annually calculated present value of estimated future costs, adjusted for increases in construction costs. The balance held within the bridges replacement fund has increased by £51.4m to £242.6m (2022: £191.2m);

c. Grant-making fund - represents surplus income which has been designated for future grant-making activities. The balance on the grant-making fund at year-end is £179.9m (2022: £210.3m), a decrease of £30.4m.

d. Social Investment fund - the Trustee approved the release of this designated fund (£21.7m) to the general fund during 2022/23, bringing the social investment designated fund balance to nil: under the new Investment Strategy Statement and powers for Social Investment (SI) a revised approach for recording SIs is being considered.

e. Climate Action fund - represents funds set aside to further progress and potentially accelerate delivery of the Charity's Climate Action Strategy, with a balance of £15.0m (2022: £15.0m).

f. Property Dilapidations - represents funds not yet utilised as received from tenants at the end of a lease to enable the property to be brought back to the required condition. As at year-end the balance on property dilapidations is £0.7m (2022: £0.4m)

16. The charity holds free reserves of £155.2m, which is the balance after deducting the designated funds from the total unrestricted income funds. Amounts held are £65.2m above the current revised policy. The Trustee remains cautious of the impacts of the ongoing uncertain economic climate on its investment portfolio. Noting the potential risk of future realised losses and increases in property construction costs, it continues to review the level of reserves held.

Audit Progress

17. Crowe's audit work is substantially complete, apart from final reviews prior to sign-off. It is anticipated that the audit will be concluded satisfactorily to enable Crowe to issue an unqualified opinion as stated within paragraph 4 of this report.
18. Crowe representatives will attend the Audit and Risk Management Committee to present their completion report, update on the status of the audit and to clarify any points or issues raised.

Conclusion

19. The Audit and Risk Management Committee are requested to recommend for approval the Annual Report and Financial Statements as at 31 March 2023 to the CBF Board. The Chair and Deputy Chair of the CBF Board will sign the Annual Report, with the Report to be presented to the Court of Common Council.
20. The Annual Report and Financial Statements will be submitted to the Charity Commission and published online.

Contact:

Nicole Monteiro,
City Bridge Foundation Reporting Accountant
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Appendix 1: Annual Report and Financial Statements for City Bridge Foundation 2022/23
Appendix 2: Crowe's Report to the Audit & Risk Management Committee

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Agenda Item 8

Committees: Audit and Risk Management	Date: 6 November 2023
Subject: Sundry Trusts Annual Report and Financial Statements 2022/23	Public
Report of: CBF & Charities Finance Director (representing the Chamberlain)	For decision
Report author: Julia Megone, Charities Technical and Strategic Finance Manager, CBF & Charities Finance Team	

Summary

This report seeks approval of the annual reports and financial statements for the 14 Sundry Trust charities listed at **Appendix 1** for the year ended 31 March 2023.

Of the 14 charities, 3 annual reports and financial statements are audited by Crowe U.K. LLP, 7 are subject to an independent examination by Crowe U.K. LLP (“Crowe”), and 4 are below the threshold for an audit or independent examination.

Where the Corporation is Trustee, the Finance Committee approves the annual reports; if charities have individual trustees, or the Trustee is acting through the Court of Aldermen (as indicated in **Appendix 1**), the reports are approved by the respective trustees or the Aldermen following recommendation by this Committee.

The draft annual report and financial statements for each charity for the year ended 31 March 2023 are attached at **Appendix 2** for approval.

Crowe’s work on the audits and independent examinations of the charities remains in progress at the date this report was submitted (October 2023). To date although a number of control points and adjustments have been identified in respect of and on this basis we understand that Crowe currently intend to issue an unqualified opinion (audit) or unmodified report (independent examination) for each annual report.

Recommendations

The Audit and Risk Management Committee are asked to:

- (i) Consider the contents of the audit management report issued by Crowe U.K. LLP (comments related to these charities are included within the paper covering City’s Cash);
- (ii) Note that the external auditor Crowe is anticipating giving an unqualified audit opinion on 3 audited charity annual reports;
- (iii) Note that the independent examiner Crowe is anticipating giving an unmodified report for the 8 independently examined charity annual reports;
- (iv) Note for information the 3 sets of annual reports which are not subject to audit and independent examination; and
- (v) Recommend approval of the annual reports of the 14 charities presented for the year ended 31 March 2023, to the Finance Committee for those charities where the Corporation is Trustee; to the Aldermen for the Emmanuel Hospital charity where the Corporation is acting by the Court of Aldermen as the named corporate trustee; and to the individual trustees of

the Sir William Coxen Trust Fund and the Samuel Wilson Loan Charity (see **Appendix 1** for charity registration numbers).

Main Report

1. The 2022/23 Annual Report and Financial Statements for 14 Sundry Trust charities for the year ended 31 March 2023 are presented for review.
2. The annual reports of the Sundry Trusts have been prepared in accordance with the Charities Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition effective 1 January 2019) and the Charities Act 2011.
3. The Charity Commission requires charities to submit their annual report within 10 months of their financial year-end, that is by 31 January 2024. A failure to meet deadlines is recorded on the charity's entry on the Charity Commission website. There are no financial penalties incurred. In addition, the City of London Almshouses charity is regulated by the Regulator for Social Housing with a submission deadline of 6 months from the financial year end, that is 30 September 2023. Due to the timing of the audit across the various City Corporation, this deadline has not been met but the regulator has been informed and no financial penalties are issued.
4. 14 annual reports and financial statements are presented for the Sundry Trusts of which the City Corporation is Trustee, or otherwise has rights of nomination or appointment of the majority of trustees. A summary of the required form of assurance provided by Crowe is provided in the table below:

Type of review	Number of sundry trust charities
Audit	3
Independent examination	7
No review required	4

Audit Opinion / Independent Examiner's Report

5. The external auditor (Crowe) is expected to give an unqualified opinion on the annual reports and financial statements of each of the 3 Sundry Trust charities subject to an audit.
6. For the 7 sets of annual reports and financial statements which are subject to an independent examination, the independent examiner (Crowe) is not expected to modify their report. An independent examination offers negative assurance, that no evidence has been found that the accounts have not been prepared properly, as opposed to an audit opinion that confirms that the accounts show a "true and fair" view.
7. With work still in progress, initial audit findings for the audited charities have been included in the report to this Committee covering City's Cash and Other Charities of the City of London. A number of findings were identified as part of Appendix 2 "Systems and Controls":

- a. A recommendation that the threshold for journals review is lowered for the charities in proportion to the scale of the transactions reported in the charity accounts. Management note other compensating controls and confirm that the current review and authorisation limits are adopted to ensure a consistent approach across all activities of the City Corporation that all staff can follow and implement effectively. Due to the range of entities covered by this framework, introducing local variances to the process would be confusing and would increase the risk of the control framework not being appropriately implemented.
 - b. A recommendation that the capitalisation policy is amended and lowered for the charities to reflect their size. Management response, in line with the above, is that the charities' capitalisation policies are consistent with the wider City of London Corporation approach. This ensures clarity, consistency and reduces the risk of confusion which could undermine the wider control framework if localised/individual policies were applied to each of the large number of different entities encompassed within City Corporation systems and processes.
 - c. A recommendation that management prepare and review monthly management accounts. Management note that in light of the charities' size and operations, monthly reporting would be excessive, but confirm that a review of management information provided is underway, including (where reporting is in place already) consideration of the format and content of these reports.
8. In addition to the above, as highlighted in paragraph 3.10 of the findings report there is ongoing work relating to the COL Almshouses which has resulted in the identification of an accounting adjustment and prior year adjustment in respect of capital works on the almshouses, as well as proposed additional narrative disclosures as an entity regulated by the RSH. The attached financial statements will be updated for these changes before signing but finalised changes have not yet been agreed with Crowe and therefore the version attached represent the original draft accounts.
 9. We are not aware of any other significant accounting adjustments, changes to the financial statements, or deficiencies in internal control that have been identified in relation to these charities.

Summary of the financial statements

10. The Sundry Trust charities are listed at **Appendix 1**. Notable activities in the year included:
 - a. A wide-ranging distribution of grants and charitable funds, including the CLSG Bursary Fund which awarded over £1m in bursaries; Emanuel Hospital charity which committed over £655k in grants for the benefit of the elderly in London; the City of London Combined Education Charity which distributed two new grants totalling £500k for bursary schemes for London students; and the Combined Relief of Poverty charity which made an £83k grant to provide a food pantry service in the City of London. The Samuel Wilson's Loan Charity issued 11 new loans totalling £327k to support young

entrepreneurs in London and surrounding counties to further their businesses.

- b. For those charities which hold investments, all of which are managed through the City of London Charities Pool (with the exception of the investments of the Sir William Coxen Trust Fund), valuations had reduced at 31 March 2023 compared to at 31 March 2022, resulting in unrealised losses being recognised across these charities. Investment income also declined slightly compared to 2021/22 across these charities.

Progress and Submission of Signed Annual Reports and Financial Statements

11. Crowe's work remains in progress, with review of the annual reports and some areas of audit/IE work ongoing. It is anticipated that the audits will be concluded satisfactorily to enable Crowe to issue unqualified opinions/unmodified reports as stated within paragraph 5 of this report.
12. Crowe representatives will attend the Audit and Risk Management Committee to present their completion report, update on the status of the audits and to clarify any points or issues raised.
13. Each set of signed annual reports will be submitted to the Charity Commission and will be available to download from its website. The final management report from Crowe on its audit will be presented to the Court of Common Council for information.

Conclusion

14. The draft annual reports and financial statements of 14 Sundry Trust charities are presented for recommendation to Finance Committee, the Aldermen or the individual charity Trustees as applicable. At the date of this report, no modifications to audit or independent examiner reports are expected, with Crowe still needing to complete work on all charities subject to audit or independent examination. Four of the 14 annual reports do not require independent review due to their size and are presented for information.

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Appendix 1: List of the Sundry Trust charities, including charity registration numbers and a note of those charities with individual trustees

Appendix 2: Annual Reports and Financial Statements of the Sundry Trust charities

Agenda Item 9

Committee(s): Audit and Risk Management Committee – For information Finance Committee – For information Pensions Committee – For Information	Dated: 06/11/2023 08/11/2023 21/11/2023
Subject: City Fund and Pension Funds Statement of Accounts Update	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	N/A
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain’s Department?	N/A
Report of: The Chamberlain	For Information
Report author: Daniel Peattie, Assistant Director – Strategic Finance	

Summary

This report provides an update on the audit of the 2020-21 and 2021-22 Statement of Accounts, and the publication and audit of the 2022-23 Statement of Accounts.

Recommendations

The **Audit and Risk Management** Committee is asked to:

- **Note** the progress made on the 2020-21 Statement of Accounts.
- **Consider** the Audit Findings Report for the City Fund 2021-22 as set out in Appendix 3.
- **Consider** the Audit Findings Report 2021-22 for the Pension Fund as set out in Appendix 4.
- **Consider** the Audit Progress Report for the City Fund 2022-23 as set out in Appendix 6.
- **Consider** the Audit Findings Report for the Pension Fund 2022-23 as set out in Appendix 7.
- **Note** the responses from Management as per Appendix 8 and Appendix 9.

The **Finance Committee** is asked to:

- **Note** the progress made on the 2020-21 accounts.
- **Consider** the Audit Findings Report for the City Fund 2021-22 as set out in Appendix 3.
- **Consider** the Audit Findings Report 2021-22 for the Pension Fund as set out in Appendix 4.
- **Consider** the Audit Progress Report for the City Fund 2022-23 as set out in Appendix 6.
- **Consider** the Audit Findings Report for the Pension Fund 2022-23 as set out in Appendix 7.
- **Note** the responses from Management as per Appendix 8 and Appendix 9.

The **Pensions Committee** is asked to:

- **Note** the progress made on the 2020-21 Statement of Accounts.
- **Consider** the Audit Findings Report 2021-22 for the Pension Fund as set out in Appendix 4.
- **Consider** the Audit Findings Report for the Pension Fund 2022-23 as set out in Appendix 7.
- **Note** the responses from Management as per Appendix 9.

Main Report

Background

1. In the last Committee meeting of September 2023, an overview of the City Fund and Pension Fund accounts was presented, encompassing the following key points:

2020-21 Accounts

2. The 2020-21 City Fund and Pension Fund accounts were submitted to the Audit and Risk Management Committee in November 2021 and later to the Finance Committee in December 2021 for approval. Despite minor unresolved matters, the audit was largely completed. The Chamberlain, in consultation with the Finance Committee Chairman and Deputy Chairman, was delegated the authority for final sign-off.
3. Delays occurred due to a late audit issue related to a disclosure note supporting the cashflow statement and a national technical accounting concern regarding infrastructure asset accounting. Resolution came with the release of temporary accounting code variations by CIPFA in January 2023.

2021-22 Accounts

4. The audit of the draft 2021-22 accounts commenced in November 2022. Revisions were necessary in February 2023 to address technical matters concerning infrastructure assets. By the time of the last update, 90% of the audit samples had been cleared by auditors.
5. Outstanding items included completing the 2020-21 accounts audit by previous auditors BDO, concerns about the appropriateness of accounting treatment for lease premia (£176.9m), and addressing the impact of the latest triennial valuation of the pension fund on the City Corporation's pension fund liabilities.
6. The City Corporation commissioned updated actuarial reports to assess the impact of the triennial valuation on the City Corporation's pension fund liability. This assessment indicated a £37.8m change in the value reported on the balance sheet. Due to the significant movement, the accounts needed to be restated. A working paper demonstrating the impact and the affected areas of the accounts was shared with the auditors. External audit procedures were undertaken to validate this conclusion using underlying data.
7. Updated actuarial reports for the Pension Fund itself were commissioned and were expected imminently.

8. The issue concerning the accounting for lease premia was largely resolved, and the City Corporation's approach was agreed upon. The auditors were in the final stages of their work in this area.
9. With the majority of the work on the 2021-22 audit completed and the 2020-21 audit opinion expected in the coming weeks, it was anticipated that Grant Thornton would be able to issue their audit opinion on the 2021-22 accounts by the end of September 2023. The Chamberlain, in consultation with the Finance Committee Chairman and Deputy Chairman, was delegated the authority for final sign-off.

2022-23 Accounts

10. The audit of the 2022-23 accounts was set to commence in September 2023. Grant Thornton's work plan for this audit of the City Fund and Pension Fund Accounts for 2022-23 was presented as a separate agenda item for the Audit and Risk Management Committee meeting on 11th September 2023.

Current Position

2020-21 Accounts

11. The latest version of the 2020-21 City Fund and Pension Fund accounts are included in Appendix 1 of this report. Apart from some minor changes to wording, this revised version incorporates one significant change to the version of the accounts last presented to Committee in November 2021:
 - Reclassification of creditors (£91.3m) – balances owed to Central Government in respect of S31 Grant for NNDR reliefs were incorrectly recognised as short-term creditors in 2020-21. These monies should have been recognised as Grants and Contributions Received in Advance. This error has been rectified in the revised financial statements and is purely a reclassification with no impact on the overall City Fund position.
12. Currently, the 2020-21 City Fund and Pension Fund accounts are undergoing BDO's internal quality review process, there have been significant delays due to:
 - a. BDO moving onto NHS audit work and not having the resources to finalise their audit opinion;
 - b. Subsequent delays have meant, queries raised by Grant Thornton during 2021/22 and 2022/23 audit work has led to further work on 2020/21.
13. As a consequence of the above, the auditors have now raised concerns around the potential impact of Reinforced Autoclaved Aerated Concrete (RAAC) on any of the assets owned by the Corporation. The Corporation have initiated a comprehensive evaluation of properties constructed with RAAC. This evaluation involved meticulous desktop exercises, visual inspections, and consultant evaluations to identify structures potentially affected by the RAAC issue.
14. As of October 2023, the inspections related to RAAC have not necessitated adjustments to the carrying amounts of property, plant, and equipment included in these financial accounts. The assessment revealed no immediate need for

impairment or significant adjustments related to the RAAC issue. The inspection process is ongoing, and further evaluations may potentially lead to adjustments.

15. Audit sign-off is anticipated by the end of October, contingent upon the outcome of ongoing evaluations.

2021-22 Accounts

16. The revised version of the 2021-22 City Fund and Pension Fund Statement of Accounts can be found in Appendix 2. This revised version incorporates six significant changes identified during the audit of the accounts:

- Balance sheet misstatement (£30m) - It was identified that the Balance sheet was misstated with Grants Received in Advance having a typo and being misstated by £30m.
- Pension liability (£37.8m) – the pension liability in the draft 2021-22 accounts was based on the triennial valuation carried out at 31 March 2019, which was the latest information available at the time. However, since publication of the draft accounts, the valuation at 31 March 2022 became available. As a result, the auditors requested revised reports, detailing what impact this updated information had on the net pension liability disclosures at 31 March 2022. The updated information highlighted a reduction in the net liability of £37.8m. This also meant that the pension schemes note relating to the LGPS scheme required updating.
- Overstatement of debtors and creditors (£2m) – this was due to coding errors when an error relating to a PO was incorrectly adjusted to the wrong Balance sheet code.
- Lease premiums (£47m) – lease premium accounting principles incorrectly applied to two key items. This resulted in an increase to the Investment property valuations by £47m. The impact of this is to increase the Authority's asset base but due to statutory accounting does not impact the City Fund balance.
- Reclassification of creditors (£131.9m) – balances owed to Central Government in respect of S31 Grant and CARF monies were incorrectly recognised as short-term creditors in 2021/22. These monies should have been recognised as Grants and Contributions Received in Advance. This error has been rectified in the revised financial statements and is purely a reclassification with no impact on the overall City Fund position.
- Revenue Expenditure Financed by Capital Under Statue (REFCUS) correction (£21m) – A review of the EFA and depreciation charges identified that £21m of REFCUS expenditure had been erroneously included within the depreciation, amortisation and impairments line in the Income and Expenditure analysed by nature disclosure note. This error has been rectified in the revised financial statements and is purely a reclassification with no impact on the overall City Fund position.

17. The majority of the audit work has been completed, and the findings have been incorporated into this version. However, as of the latest update, Grant Thornton (GT) are in the midst of their final review process and are awaiting the conclusion of the 2020-21 audit by BDO before they can conclude the 2021-22 audit.

18. The audit findings reports for 2021-22 are available in Appendices 3 and 4 (for the City Fund and Pension and respectively). GT will present a comprehensive overview during the Committee meeting. It is expected that an unqualified opinion will be issued based on the work conducted up to this point.

2022-23 Accounts

19. The updated version of the 2022-23 City Fund and Pension Fund Statement of Accounts is provided in Appendix 5. This revised version incorporates three significant changes identified during the audit of the published accounts:

- Lease premiums (£224m) – during the audit of the 2021-22 accounts, the auditors raised concerns about the appropriateness of the accounting treatment applied to lease premia by the Corporation. At that point in time officers did not have access to sufficient information to satisfy the auditors concerns and therefore the lease premium adjustments were removed from the 2022-23 accounts that were published. However, upon further investigation, officers were able to provide the auditors with detailed justification of the previous accounting treatment and therefore the lease premium adjustments have now been added back in this version of the accounts.
- Reclassification of creditors (£57m) – balances owed to Central Government in respect of S31 Grant and CARF monies were incorrectly recognised as short-term creditors in 2021-22. These monies should have been recognised as Grants and Contributions Received in Advance. This error has been rectified in the revised financial statements and is purely a reclassification with no impact on the overall City Fund position.
- REFCUS correction (£4.6m) – During the preparation of the accounts for City's Cash, officers identified that £4.6m of REFCUS expenditure relating to City's Cash had been incorrectly recognised in the City Fund accounts and were financed from the Major Projects Reserve. This error has been rectified in the revised financial statements and has resulted in an increase in a £4.6m increase in the Major Projects Reserve balance.

20. The audit process commenced in September 2023 for City Fund and is progressing smoothly. Auditors have noted significant improvements since the audit of the 2021-22 accounts. It is expected that the majority of the fieldwork will be completed by date of the Committee meeting, indicating a positive pace in the audit proceedings. The audit of the Pension Fund accounts commenced in August 2023 and has been successfully concluded, with only minor changes required, detailed in Appendix 7.

21. As part of their audit procedures, the auditors have engaged in a series of inquiries with the management regarding various aspects such as fraud and compliance with laws and regulations. The responses to these inquiries are presented in Appendices 8 and 9 (for the City Fund and the Pension Fund respectively) for your review. Members are encouraged to take note of these responses and provide any additional comments for further consideration.

Corporate & Strategic Implications

22. Strategic implications – There are no specific links to the Corporate Plan. However, the accounts assist the City Corporation in maintaining a clear and transparent dialogue regarding its activities with residents and other stakeholders.

Conclusion

23. At present, there are no remaining queries regarding the 2020-21 accounts. The external auditor is conducting final reviews of the Statement of Accounts, and an audit opinion is expected to be issued by BDO by the end of October.

24. The 2021-22 audit has now reached substantial completion. It is expected that an unqualified opinion will be issued based on the work conducted up to this point.

Daniel Peattie

Assistant Director – Strategic Finance

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Appendices

- Appendix 1 – Revised City Fund Accounts 2020-21
- Appendix 2 – Revised City Fund Accounts 2021-22
- Appendix 3 – City Fund Audit Findings Report 2021-22 (only for A&RM and Finance Cttees)
- Appendix 4 – Pension Fund Audit Findings Report 2021-22
- Appendix 5 – Revised City Fund Accounts 2022-23
- Appendix 6 – City Fund Audit Progress Report 2022-23(only for A&RM and Finance Cttees)
- Appendix 7 – Pension Fund Audit Findings Report 2022-23
- Appendix 8 – Enquiries of Management (City Fund) 2022-23 (only for A&RM and Finance Cttees)
- Appendix 9 – Enquiries of Management (Pension Fund) 2022-23

Background Papers

- Audit and Risk Management Committee – Tuesday 30th November 2021 – Item 4: City Fund and Pension Fund Statement of Accounts 2020-21
- Finance Committee – Tuesday 7th December 2021 – Item 9: 2020-21 City Fund and Pension Fund Statement of Accounts
- Finance Committee – Tuesday 25th January 2022 – Item 15a: City Fund Accounts
- Finance Committee – Tuesday 20th September 2022 – Item 7: 2020-21 City Fund and Pension Fund Statement of Accounts – Delegation of Approval
- Audit and Risk Management Committee – Tuesday 22nd November 2022 – Item 6: 2020-21 City Fund and Pension Fund Statement of Accounts Approval
- Audit and Risk Management Committee – Monday 16th January 2023 – Item 9: City Fund Audit Progress report and sector update

- Audit and Risk Management Committee – Monday 13th March 2023 – Item 7: Auditor’s Annual Report on the City of London Corporation: City Fund
- Audit and Risk Management Committee – Monday 13th March 2023 – Item 15a: Audit Progress Report
- Audit and Risk Management Committee – Monday 13th March 2023 – Item 15b: Audit Findings Report: Pension Fund
- Audit and Risk Management Committee – Monday 11th September 2023 – Item 7: City Fund and Pension Fund Statement of Accounts Update
- Audit and Risk Management Committee – Monday 11th September 2023 – Item 8: City Fund and Pension Fund Audit Plan 22-23
- Finance Committee – Tuesday 19th September 2023 – Item 8: City Fund and Pension Fund Statement of Accounts Update

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Committee: Investment Committee Audit and Risk Management	Dated: 22 September 2023 6 November 2023
Subject: Treasury Management Outturn as at 31 March 2023	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	All
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	£N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain’s Department?	N/A
Report of: The Chamberlain	For Discussion
Report author: Adam Buckley – Chamberlain’s Department	

Summary

The Treasury Management Strategy Statement for 2022/23 was approved by the Financial Investment Board and the Finance Committee in February 2022 and by the Court of Common Council on 10 March 2022. (The Financial Investment Board has now been dissolved and replaced with the Investment Committee with effect from 19 May 2023).

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

- As at 31 March 2023, the City had treasury balances totalling some £1,047.7m. The majority of these balances are held for payment to third parties or are restricted reserves.
- Cash balances decreased by £178.3m over the course of the year, which was principally due to additional unexpected Business Rates payments in 2022/23 in relation to adjustments to the prior year of £157.7m.
- Short term investment returns increased throughout 2022/23, with the Bank of England increasing the base rate in successive moves, starting at 0.75% in March 2022 rising to 4.25% by March 2023. As at August 2023 the base rate stands at 5.25%.
- The investment of funds during the year conformed to the approved strategy and there were no liquidity difficulties or breaches of the approved creditworthiness policy.
- The treasury management strategy was amended during the year in relation to *non-specified investments*¹, i.e. the short-dated bonds funds. The value of the short dated bond funds can be volatile in the short term and should only be used for surplus cash balances with an investment horizon of at least three years (the

¹ *Non-specified investments* are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments

Specified investments are those with a high level of credit quality and subject to a maturity limit of one year.

average duration). In light of this volatility, the Treasury Management Strategy Statement (TMSS) was amended with effect from 1 April 2022, so that only City Fund would maintain exposure to the short dated bond funds.

- In November 2020, HM Treasury revised its requirements for new borrowers using the Public Works Loan Board (PWLB facility), effectively removing the ability of local authorities to borrow for commercial yield. At the same time PWLB reduced the margin added to gilt yields used to price new loans by 100 basis points.
- Post the financial year end, the PWLB guidance was updated on 15 June 2023, in particular publishing a new Housing Revenue Account (HRA) rate, at 40 basis points above prevailing gilts, available from 15 June 2023 for 1 year, with its continuation subject to review. This rate is solely intended for use by HRA and primarily for new housing delivery. Furthermore, the guidance, in line with the Prudential Code, reinforced that local authorities will “...*only borrow the amount needed to finance capital expenditure and not borrow extra amounts purely to invest and make a financial return*” (previously noted purely for yield).

Recommendation

Members are asked to note the report

Main Report

Introduction

1. The City of London Corporation (the City) is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and treasury indicators for 2022/23. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).
2. The Treasury Management Strategy Statement (TMSS) for 2022/23 was approved by the Financial Investment Board (9 February 2022), Finance Committee (15 February 2022) and the Court of Common Council (10 March 2022). During 2022/23 the Financial Investment Board received investment analysis reports at each Board meeting. (The Financial Investment Board has now been dissolved and replaced with the Investment Committee with effect from 19 May 2023.).

Overall Treasury Position as at 31 March 2023

3. The City's treasury position at the start and end of 2022/23 was as follows:

Table 1	31 March			
	Principal 2022	Rate of Return	Principal 2023	Rate of Return
	£m	%	£m	%
Fixed rate funding				
- PWLB	0		0	
- Market	0		0	
	0		0	
Variable rate funding				
- PWLB	0		0	
- Market	(450.0)		(450.0)	
	(450.0)		(450.0)	
Total debt	(450.0)		(450.0)	
Total investments	1,226.0	0.08 *	1,047.7	2.39 *
Net Investments	776.0		776.0	

* This rate of return includes the short dated bond funds. The rate of return excluding the short dated bond funds was 3.39% (2021/22: 0.51%).

Table 1 demonstrates that short term investments decreased by £178.3m from £1,226.0m as at 31 March 2022 to £1,047.7m as at 31 March 2023, which is largely due to additional unexpected Business Rates payments' in relation to adjustments to the prior year of £157.5m; capital expenditure incurred on the purchase of Unit 1 Fairview Industrial Estate and 85 London Wall (£56.5m); and the first tranche of compensation payment for the Markets. The rate of return refers to the weighted average return of the portfolio as at the balance sheet date, rather than income earned in the period (which is discussed further at paragraph 16). The overall rate of return as at 31 March 2023 was much higher than a year earlier, as interest rates increased throughout 2022/23 due to the tightening monetary policy from central banks, though this had a negative effect on the market value of the City's short-dated bond fund investments.

4. The weighted average rate of return was affected by the short-dated bonds, as bond prices have an inverse relationship with interest rates (i.e. when interest rates increase, bond prices decrease and vice versa), and hence there has been a corresponding decline in short-dated bond fund returns (i.e. *non-specified investments*). However, as interest rates rise, the bond fund managers are able to reinvest the maturing bonds at a higher yield, thus raising the level of income in the portfolio, that is, income, rather than capital gains, will make up a greater part of the total return generated by these funds.
5. Following the consultation undertaken by the Department of Levelling Up, Housing and Communities (DLUHC) on IFRS 9, the Government has extended the current mandatory statutory override for local authorities to reverse out all unrealised fair value movements resulting from pooled investment funds to 31st March 2025. Therefore, any capital gains/losses on the short dated bond funds will continue not to be taken through the City's General Fund (i.e. City Fund). The City are required to disclose the net impact of the unrealised fair value movements in a separate unusable reserve throughout the duration of the override in order for the Government to keep the override under review and to maintain a form of transparency.
6. However, as City Fund is by far the largest participant in the TMSS in terms of investment balances, which are expected to endure for the foreseeable future, in order to ensure the TMSS is best aligned with each and every individual participants particular circumstances, during Autumn 2022 the Financial Investment Board, Finance Committee and Bridge House Estates Board all agreed to amend the TMSS with effect from 1 April 2022, and this was ratified by the Court of Common Council in December 2022. This amendment was to bifurcate the Annual Investment Strategy within the TMSS into two strategies: one for City Fund which includes exposure to the full range of investments (both *specified* and *non-specified* i.e. including the short-dated bond funds) permitted in the current TMSS and a second strategy for others which restricts exposure to *specified investments* only (i.e. excluding the short-dated bond funds).

The Strategy for 2022/23

7. During 2022/23 inflationary pressures, the easing of Covid restrictions in most developed economies, the Russian invasion of Ukraine, and a range of different UK government policies, resulted in UK interest rates having been volatile right across the curve, from Bank Rate through to 50-year gilt yields.
8. Investment returns picked up throughout the course of 2022/23 as central banks, including the Bank of England, realised that inflationary pressures were not transitory, and that tighter monetary policy was called for. The expectation within the Treasury Management Strategy Statement (TMSS) for 2022/23, based on the forecast from December 2021 when interest rates were at 0.25%, was for a modest increase of only 0.50% in 2022/23. However, following rate rises in February and March 2022, interest rates moved up continuously in stepped increases of either 0.25% or 0.5%, reaching 4.25% by the end of the financial year in March 2023, with further increases anticipated in 2023/24. As at August 2023 the Bank of England base rate is 5.25%.
9. This sea-change in investment rates resulted in the challenge of pro-active investment of surplus cash for the first time in over a decade, with the need to

seek the appropriate balance between maintaining cash for liquidity purposes, and “laddering” deposits on a rolling basis to lock in investment rates as duration was extended.

10. Starting the 2022/23 financial year at 5.5%, annual CPI inflation rose to 10.1% in July 2022, and then 11.1% in October 2022. Inflation remained high in subsequent months but appeared to be past the peak, before unexpectedly rising again to 10.4% in February 2023, up from 10.1% in January 2023. As at July 2023 inflation stood at 6.9%.
11. The Corporation’s creditworthiness policy was designed to prioritise the security of the Corporation’s assets whilst also enabling diversification of risk amongst a range of high quality counterparties. Given the increase in economic uncertainty, the creditworthiness criteria set out in the original strategy was maintained throughout the year.
12. The Corporation maintained sufficient liquidity through the selective use of highly liquid money market funds, cash flow forecasting, and active management of the portfolio’s maturity profile.
13. The treasury management function complied with the parameters established in the Treasury Management Strategy Statement 2022/23 for the entirety of the reporting period and the City’s treasury cash continues to be invested in a diversified balanced portfolio commensurate with proper and prioritised levels of security and liquidity.
14. The 2022/23 TMSS also included a number of prudential and treasury indicators for the year which are shown in Appendix 1. The City complied with all indicators in 2022/23.

The Borrowing Requirement and Debt

15. The Corporation did not anticipate (but did not rule out) undertaking any new external borrowing during 2022/23 and instead intended to temporarily use cash balances to support capital expenditure as an interim measure. This policy of internal borrowing was prudent as investment returns were initially low (and thus there would be a cost of carry associated with any new external debt that was not immediately used to fund capital expenditure) and minimising counterparty risk on placing investments also needed to be considered.
16. The majority of local authority borrowing is undertaken via the Public Works Loan Board (PWLB), a government agency. PWLB loans are priced on the basis of prevailing gilt yields plus a margin. As previously reported, the Government increased the margin from its long term position of 80 basis points to 180 basis points in 2019/20 and simultaneously announced a review of the future lending arrangements of the PWLB. These measures were prompted by concerns within Government over the use of PWLB loans to fund commercial investments for yield. On 25 November 2020, the Chancellor announced the conclusion to the review and reversed the earlier 100 basis point increase to the margins whilst simultaneously introducing a prohibition to deny access to borrowing from the PWLB for any local authority which planned to purchase assets for yield in its three-year capital programme.
17. Post the financial year end, the PWLB guidance was updated on 15 June 2023, in particular publishing a new Housing Revenue Account (HRA) rate, at 40 basis points above prevailing gilts, available from 15 June 2023 for 1 year, with its

continuation subject to review. This rate is solely intended for use by HRA and primarily for new housing delivery. Furthermore, the guidance, in line with the Prudential Code, reinforced that local authorities will “...*only borrow the amount needed to finance capital expenditure and not borrow extra amounts purely to invest and make a financial return*” (previously noted purely for yield).

18. No external borrowing was undertaken by the City Fund during the 2022/23 financial year, and actual capital expenditure in that year (£102m) was lower than anticipated in the 2022/23 TMSS (£217m). The City Fund’s capital financing requirement is expected to increase in the next few years as a result of the planned capital expenditure and it is likely that at least a portion of this borrowing need will be met through internal borrowing. This strategy remains prudent in the current interest rate environment given the City Fund’s cash balances. However, the Chamberlain will continue to monitor the outlook for interest rates to ensure the borrowing strategy remains appropriate.
19. City’s Cash did not issue any new debt during the year having obtained market debt of £450m in 2019/20. The second and final tranche of that debt of £200m was received in July 2021.
20. Bridge Houses Estates did not enter into any borrowing during the year.

Investment Outturn for 2022/23

21. **Investment Policy** – the City’s investment policy is governed by MHCLG guidance on Local Government Investments and the CIPFA Treasury Management Code which has been implemented in the annual investment strategy approved by the Court of Common Council on 10 March 2022. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data (such as rating outlooks, credit default swaps, bank share prices etc.)
22. Following the amendment to bifurcate the Annual Investment Strategy within the TMSS into two strategies (see paragraph 6): one for City Fund which includes exposure to the full range of investments (both *specified* and *non-specified* i.e. including the short-dated bond funds) and a second strategy for others which restricts exposure to *specified investments* only (i.e. excluding the short-dated bond funds), this resulted in a two income yields for 2022/23, one for City Fund and one for all other funds.
23. The income yield on short term investments for 2022/23 was 2.13% for City Fund and 1.83% for all other funds. (2021/22: 0.5% across all funds). The increase in income reflects higher returns available from the money markets in 2022/23, largely as a result of ultra-tight monetary policy in place for the latter part of the reporting period.
24. Aside from interest earned on deposits, the portfolio is also exposed to gains and losses on the market value of the Corporation’s short dated and ultra-short dated bond funds, which are held at fair value. Each of these investments, and in particular the short dated bond funds which have the highest interest rate sensitivity, depreciated in value over the course of the year (bond prices have an inverse relationship with interest rates).
25. As yields have risen, the capital value of the portfolio’s short dated bond fund investments declined resulting in a negative return of 0.79% for the year

(2021/22: -0.71%). As in 2021/22, these movements are debited as an unrealised loss on investments, which is accordance with the IFRS9 current mandatory statutory override (paragraph 5), are reversed and not taken through City Fund. Although capital movements are volatile in the short term, the allocation to short dated bond funds is expected to deliver superior returns over the medium term when compared to traditional deposits

26. The investment activity during the year conformed to the approved strategy, and the City of London had no liquidity difficulties.

Conclusion

27. Treasury management activities over the past financial year were carried out in accordance with the 2022/23 TMSS, which was amended in Autumn 2022 to bifurcate the Annual Investment Strategy within the TMSS into two strategies: one for City Fund which includes exposure to the full range of investments (both *specified* and *non-specified* i.e. including the short-dated bond funds) permitted in the current TMSS and a second strategy for others which restricts exposure to *specified investments* only (i.e. excluding the short-dated bond funds).

28. Money market investment returns, which are heavily determined by central bank activity, have increased as the base rate has increased throughout 2022/23. Rates are currently forecast to increase further over the rest of 2023 with a peak of 5.75% now expected by December 2023, where it is assumed rates will remain before decreasing in the second half of 2024.

Appendices

Appendix 1 – Treasury Indicators

Adam Buckley

Senior Accountant - Treasury

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Treasury Indicators

TABLE 1: TREASURY MANAGEMENT INDICATORS	2021/22	2022/23	2022/23
	Actual	Estimate	Actual
	£M	£M	£M
Authorised Limit for external debt (City Fund)-			
Borrowing	£0	£0	£0
other long-term liabilities	£12.9	£12.8	£12.8
TOTAL	£12.9	£12.8	£12.8
Operational Boundary for external debt (City Fund) -			
Borrowing	£0	£0	£0
other long-term liabilities	£12.9	£12.8	£12.8
TOTAL	£12.9	£12.8	£12.8
Actual external debt	£0	£0	£0
Upper limit for total principal sums invested for over 364 days (per maturity date)	£0	£400.0	£0

TABLE 2: Maturity structure of fixed rate borrowing during 2022/23	upper limit	lower limit
under 12 months	50%	0%
12 months and within 24 months	50%	0%
24 months and within 5 years	50%	0%
5 years and within 10 years	75%	0%
10 years and above	100%	0%

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Committee(s)	Dated:
Audit and Risk Management Committee	06/11/2023
Subject: Internal Audit Update	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	N/A
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain’s Department?	N/A
Report of: Chamberlain	For Information
Report author: Matt Lock	

Summary

This report provides an update on Internal Audit activity during September 2023. 3 Internal Audit reviews have been completed to Final Report stage and work is in progress at various stages for a number of Audit reviews.

Excluding sickness absence of one team member, the Internal Audit team is now fully staffed, resources are sufficient to deliver the programme of work intended for the remainder of 2023/24.

Recommendation(s)

Members are asked to:

- Note the outcomes of completed Internal Audit work.

Main Report

Background

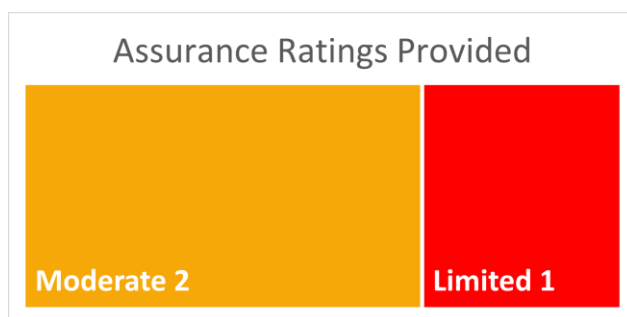
1. This report provides an update on the work of Internal Audit during September 2023 and the update report provided to the September meeting of this Committee, specifically, an overview of the outcomes from completed Internal Audit reviews. Appendix 1 to the report shows a range of analysis in relation to completed Audit work, both since the last Committee update and a cumulative summary of work completed so far this year. The appendix also includes the forward programme of work for the second half of 2023/24 and some analysis of live audit recommendations.

Current Position

2. Final Audit Reports have been issued in respect of 3 Audit Reviews since the last update, 1 Limited and 2 Moderate Assurance opinions were provided. The overall

outcomes from the recently completed Audit reviews are summarised in the following table with further information provided in relation to the Limited Assurance opinion:

Audit Assignment	Assurance Rating	Recommendations Made		
		Red	Amber	Green
City of London Police – Premises Management	Moderate	0	4	0
City of London School for Girls – Key Financial Controls	Limited	2	13	0
Community and Children’s Services – Housing Fire Safety	Moderate	4	0	0



City of London School for Girls - Key Financial Controls

3. The objective of this audit was to obtain assurance in respect of the adequacy of key financial controls, specifically: income, expenditure, budget monitoring and assets / inventory. Internal Audit was made aware of staff turnover within the School’s finance function since 2021 (Bursar, Finance Manager and Head of Finance), as well as staff movement within the Chamberlain’s Department, impacting the level of support provided to the School. It is understood that a shared services structure will be in place from September 2023, with a clear focus on improving financial management and promoting good (and where appropriate, consistent) practice. The findings of this audit should help inform decision-making related to new the financial control framework.
4. Overall, limited assurance is provided in respect of the effectiveness of the School’s key financial controls.
5. Audit testing confirmed issues in several areas examined with instances noted of control processes that have either lapsed or have been applied inconsistently. In other areas, information / evidence was not available to demonstrate the arrangements in practice. Internal Audit has highlighted the issues and associated risks for management attention; action should be taken in respect of these findings as part of the move to Shared Services, thereby strengthening arrangements in respect of:
 - Billing and debt management, minimising the risk of error, facilitating independent oversight and ensuring compliance with the City’s Scheme of Delegations.
 - Budget monitoring processes to support the School in managing its financial resources in line with its approved Revenue budget.

- Procurement and expenditure, including the use of purchasing cards, to ensure compliance with relevant policies and demonstrate the pursuit of Value for Money.
 - Maintenance of the School's inventory / registers of high value, portable assets to ensure that all necessary purchases are reflected and that these items can be accounted for.
6. Audit findings have been discussed with the Head of Finance, Shared Services, who has reiterated their commitment to implementing robust financial management practices as part of the new finance model.
 7. In addition to the above fully completed work, Draft audit reports are in circulation for 3 Audit reviews.

Follow-up Work

8. With limited resources this year to date, the focus of Internal Audit work has been on delivery of substantive Audit reviews rather than follow-up of previously raised recommendations. Analysis of open recommendations shows a growing number of older recommendations some of which are now considerably past their original target implementation date. Analysis of open recommendations is included in Appendix 1 together with a link to access the full schedule of open recommendations.
9. Consideration is currently being given to a new methodology for Audit follow-up with a view to supporting a more timely escalation of non-implementation. In addition to this, the Head of Internal Audit is reflecting on the benefits of delivering a more focussed exercise, a recommendations implementation drive, taking this on a department by department basis rather than audit by audit.

Internal Audit Resourcing

10. Following a successful recruitment campaign earlier in the summer, the Internal Audit team is fully staffed although it should be noted that there is a brief period of induction and currently the long-term sickness absence of one other team member. It is anticipated that capacity will steadily increase between now and the end of the calendar year, reaching full capacity for the remaining 3 months to 31 March 2024. Beyond the current year, it is anticipated that the capacity of the team will grow from around 600 audit days to over 1000 in 2025/26 as the Trainee Auditors reach a minimum level of technical and professional maturity.

Corporate & Strategic Implications

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

Conclusion

12. Given the capacity of the Internal Audit team over the year so far, delivery of planned Audit work is good. The team is now fully staffed which, combined with good progress in the development of our Trainee Auditors, will significantly increase the delivery capability of the team. While Internal Audit work identifies areas for improvement within the systems and processes examined, the findings of Audit work have been well received by Management and appropriate actions have been identified to resolve the control weaknesses raised. There are a large number of Internal Audit recommendations that have not been implemented in accordance with agreed timescales, many of which are now quite overdue.

Appendices

- Appendix 1 – Internal Audit Dashboard

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Internal Audit Dashboard

Indicative Overall Assurance Opinion: Internal control framework is considered overall to be adequate, although not consistently applied.

Work completed since last Committee Update

Final Audit Reports Issued

City of London Police	Premises Management	Moderate Assurance
City of London School for Girls	Key Financial Controls	Limited Assurance
Community and Children's Services	Housing Fire Safety	Moderate Assurance

Follow-up Reviews: 3

Committee Updates: 3

Corporate Risk Assurance:
None completed in period

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Audit Reviews in Progress:

- Barbican Centre - Purchase Cards Compliance – Annual Check
 - Community and Children's Services – Barbican Estate – Charging for Repairs
 - Town Clerks – Members Financial Support
 - Corporate Wide – Prompt Payment of Invoices
 - City of London Junior School – Key Financial Controls
 - Aldgate School – Key Financial Controls
- (note also work in progress for London Councils and Museum of London)

Other key work to note (sources of assurance):

- Head of Internal Audit is a member of the Portfolio Management Implementation Working Party – meets weekly – providing advice and guidance that is shaping the design of the project management approach and associated governance.
- Observation of Efficiency and Performance Working Party

Follow-up outcomes in period

Total Recommendations Reviewed: 19

13 Implemented

6 Outstanding

All Open Recommendations: 134

18 Red

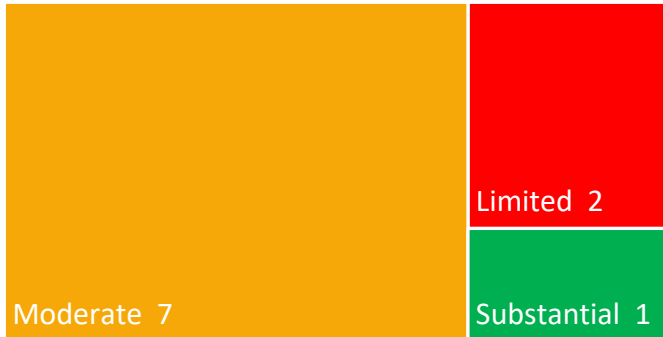
105 Amber

11 Green



Cumulative Dashboard (from 01/04/2023)

Assurance Ratings Provided



Recommendations Raised: 85

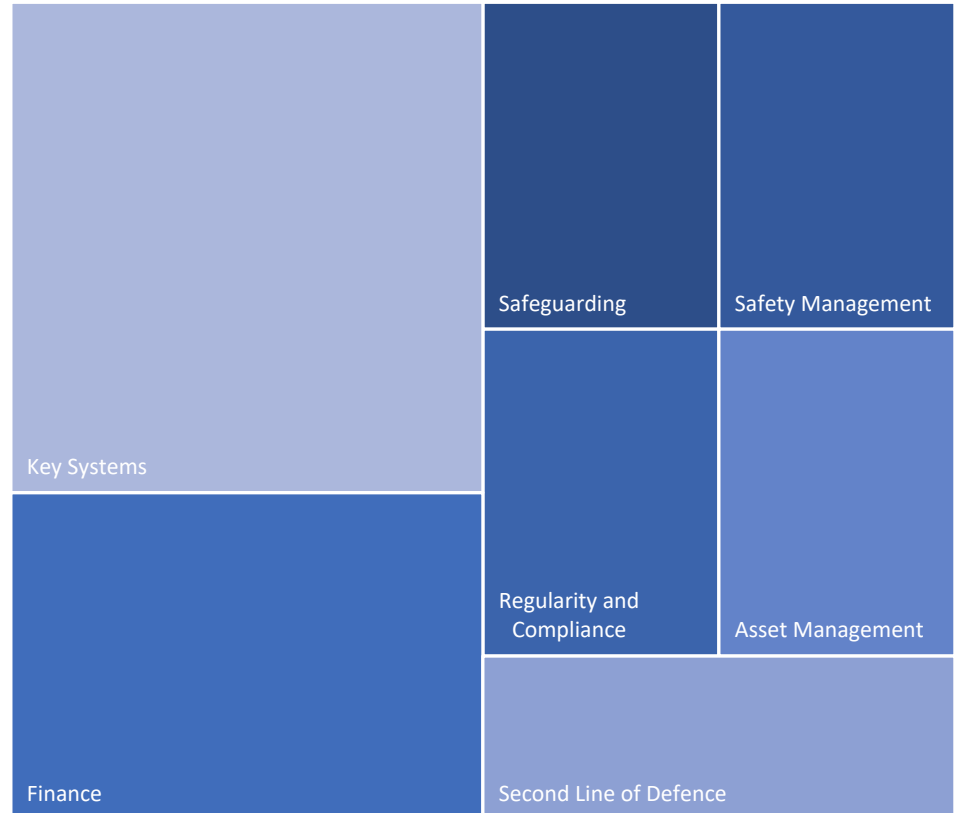


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Corporate Risk Assurance Reviews:

None completed in period – 9 planned for completion before 31/03/2024

Distribution of Assurance Work



Follow-up Reviews Completed: **10**

Committee Updates Provided: **10**

Audit Reviews Completed in 2023/24 (cumulative report)

Audit Assignment	Assurance Rating	Recommendations Made		
		Red	Amber	Green
City of London Police - Premises Management	Moderate	0	4	0
City of London School for Girls - Key Financial Controls	Limited	2	13	0
Community and Children's Services - Housing Fire Safety	Moderate	4	0	0
City of London School - Key Financial Controls	Limited	3	21	0
City of London Police – Purchase Card Compliance	Moderate	0	3	0
Corporate Wide – Purchase Order Compliance	Moderate	0	2	0
Guildhall School – Safeguarding	Substantial	0	3	2
Guildhall School – Universities UK Code of Practice for the Management of Student Housing	Moderate	0	5	0
City of London Freeman's School - Key Financial Controls	Moderate	0	11	3
Corporate Wide – Data Protection 2 nd Line of Defence	Moderate	0	6	0

Internal Audit Forward Programme of work – to 31/03/2024

Department	Audit
Community and Children's Services	Barbican Estate Repairs (Metwin Contract) - (Report finalisation)
Guildhall School	Follow-Up (2nd): Data Quality - Research Returns
Community and Children's Services	Follow-Up: Timeliness of Housing Repairs
Chamberlain	Prompt Payment of Invoices
Environment	Planning Governance
Deputy Town Clerk	Members' Financial Support
City of London Police	CoLP Employees including overtime (starters, movers, leavers etc. compliance focus).
City of London Police	CoLP Income Generation and Income Collection (including demand policing)
Operations	Follow-Up (2nd): Commercial Services Governance
City of London Police	Follow-Up (2nd): Transform Programme Phase Two
City of London Freeman's School	Follow-Up (1st): Key Financial Controls
Guildhall School	Off Contract Workers (including IR35 - Tribunal Implications)
Barbican Centre	Financial Management (light touch)
City of London Police	Data Handling (working title)
Barbican Centre	Contract Management
Guildhall School	UUK Audit
Guildhall School	Health & Safety (Rolling Programme)
Barbican	Business Continuity
Guildhall School	Medium Term Financial Planning
City of London Police	Key Financial Controls (prompt payment analysis contributes towards this).
Barbican Centre	Health & Safety (Rolling Programme - starting with Occupational)
Barbican Centre	Safeguarding
Barbican Centre	Fire Safety

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Notes:

- Includes work in progress
- Represents approximately 170 Audit days
- Does not include Corporate Risk Coverage
- Does not include 70 Audit day commitment to London Councils and Museum of London
- Induction of new starters also in progress (treated as non-audit days)

Resourcing:

- Currently managing a long-term sickness absence in team, anticipated return December
- Approximately 270 Auditor working days available to 31/03/2024 – Sufficient to complete this programme of work

Dashboard in development, will include:

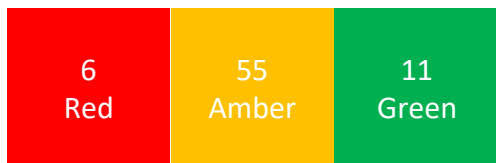
- Available resources so far this year
- Statement on requirements for MoL and London Councils
- Forward profile of anticipated available resources for remainder of year
- Growth KPI (2024/25 and 2025/26) – note that recent recruitment brings the team to approximately 600 audit days, previously determined by the Head of Internal Audit as the minimum viable coverage, growth target to take this to approximately 1000 audit days (achieved through development of Trainee Auditors)

Internal Audit Recommendation Analysis

134 Open Recommendations plus a further 11 issues identified as part of migration to the new Audit Management IT application that were not being actively tracked (noted for inclusion in future audit reviews).

85 of the open recommendations were raised in the current year 2023/24

Recommendations past their original due date: 72


















A schedule of all outstanding recommendations can be accessed here: [outstanding recommendations](#)

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Aged Analysis of overdue recommendations:

Time past original due date	Number of Recommendations
< 6 months	11
6-9 months	13
9-12 months	8
12-24 months	22
24-36 months	18
Total	72

Key Risk Coverage (Corporate Risk Assurance Work)

Risk Code	Risk Title	Current Risk Score	Current risk score icon	Reviewed by Internal Audit
CR16	Information Security (formerly CHB IT 030)	24		Planned for delivery Jan-March 2024
CR37	Maintenance and Renewal of Corporate Physical Operational Assets (excluding housing assets)	16		Planned – complete before 31/12/2023
CR38	Unsustainable Medium-Term Finances - City's Cash	16		Planned – complete before 31/12/2023
CR39	Recruitment and Retention	16		Planned for delivery Jan-March 2024
CR01	Resilience Risk	12		Planned for delivery Jan-March 2024
CR02	Loss of Business Support for the City	12		Completed - 12 July 2022
CR09	Health Safety and Fire Risk Management System	12		Completed - 13 March 2023
CR29	Information Management	12		Completed - 27 Sept 2022
CR30	Climate Action	12		Planned for delivery Jan-March 2024
CR33	Major Capital Schemes	12		Planned for delivery Jan-March 2024
CR35	Unsustainable Medium-Term Finances - City Fund	12		Planned – complete before 31/12/2023
CR36	Protective Security	12		Planned for delivery Jan-March 2024
CR10	Adverse Political Developments	8		Completed - 12 July 2022
CR17	Safeguarding	8		Completed - 22 Nov 2022
CR21	Air Quality	6		Planned for delivery Jan-March 2024

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Committee(s)	Dated:
Audit & Risk Management Committee	06 November 2023
Subject: Counter Fraud & Investigations – 2023/24 Mid-Year Update Report	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	N/A
Does this proposal require extra revenue and/or capital spending?	N/A
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain’s Department?	N/A
Report of: Chamberlain	For Information
Report author: Chris Keesing, Counter Fraud & Investigations Manager	

Summary

In total 34 investigations, across all disciplines, have been completed during the first six months off this reporting year with an associated value of £658,333. The bulk of this relates to the recovery off nine social housing tenancies with an associated loss to the public purse off £539,624.

The team have overseen 15 corporate investigations across a wide remit with six recommendations made to improve controls and mitigate the risks off further fraud occurring.

The Counter Fraud & Investigations Manager has been leading on a pan-London project to identify polygamous working, supported by 24 London Boroughs and five major suppliers of temporary resources to these organisations. The project is due to go live as a proof-of-concept in November 2023.

Recommendation(s)

- Members are asked to note the report.

Main Report

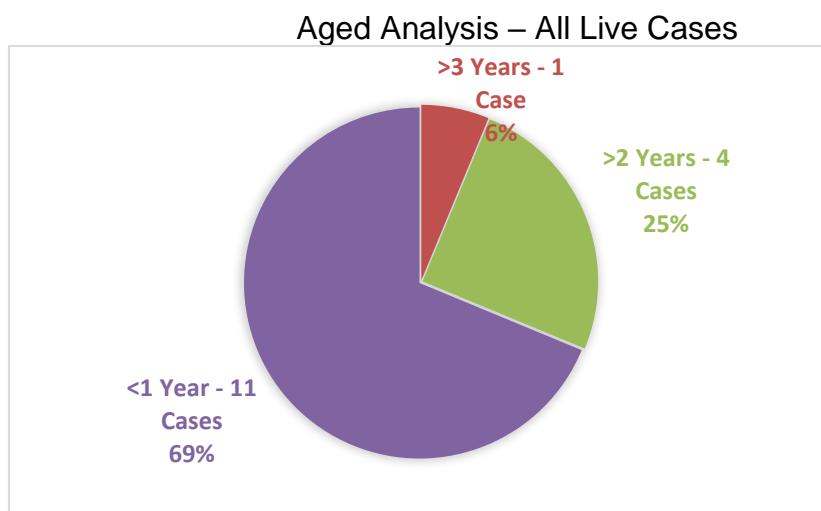
Background

1. This report provides Members with a mid-year update on the activity of the Counter Fraud and Investigation team during the first half of 2023/24. It also provides Members with an update against key anti-fraud initiatives and proactive measures to assist in the prevention detection and reporting of fraud and any emerging risks.

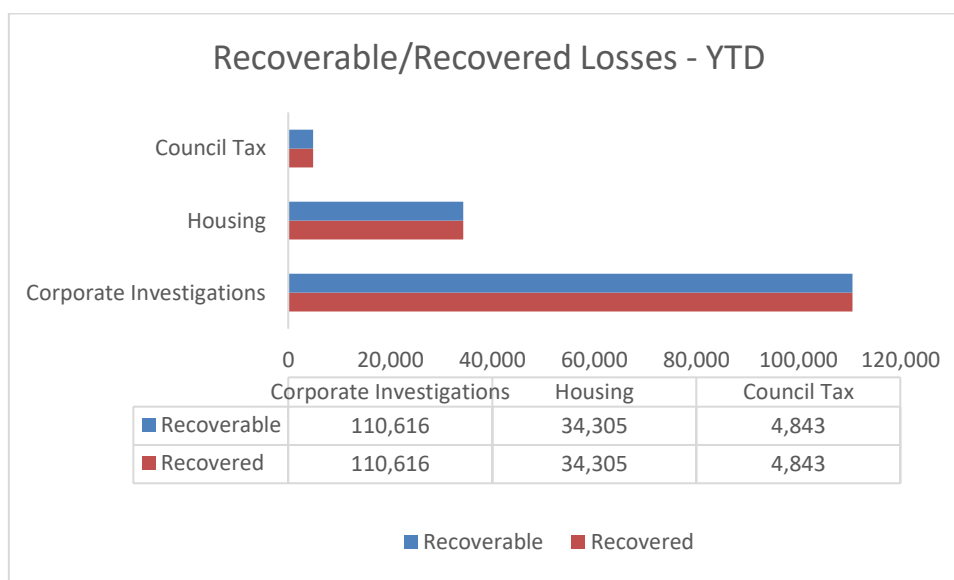
Investigation Activity Summary

2. An analysis of the number of cases investigated during the 2023/24 reporting year to date, compared to the same period during 2022/23 can be found at Appendix 1 to this report, showing all fraud types along with the value of frauds

detected. Analysis of live cases shows that of the 16 live cases currently under investigation 11 have been raised in the current reporting year, four cases have been open for two years and one complex investigation has been open for over three years.



- Our investigations have progressed well, with the associated value from the 34 completed investigations during this period amounting to £658,333.
- The graphic below shows the volume off recoverable losses during the first half of this reporting period. We have recovered £149,764 in losses this year to date, including £106,737 in VAT overpaid in error, and £34,305 following a proceeds of crime investigation in a tenancy fraud prosecution.



Corporate Investigation Activity

- 15 corporate investigations have been completed during the reporting year with an associated investigation value of £110,616. Corporate investigations relate to fraud, theft, error, and misconduct allegations investigated by, or investigations supported by, the Counter Fraud Team.

6. Nine cases resulted from the City's participation in the National Fraud Initiative (NFI). One of the NFI reports analysed the City's VAT payments and highlighted payments where possible inconsistencies were identified; further investigation found that the City had paid £106,737 too much in VAT on nine payments. We have been able to recover the VAT overpaid in error, as a direct result of these investigations.
7. An investigation at one of the City's independent schools following a report that a staff members salary had not been received found that the school was subject to a salary mandate fraud. Emails originating from a Russian email domain were used to deceive staff at the school to processing a change to a member of staff's bank account, resulting in a loss of £3,879. Whilst the loss is covered under the City's financial crime insurance policy, opportunities existed for the school to identify this fraud at an early stage. We have made five recommendations to improve controls and mitigate opportunities for similar frauds to succeed in the future.

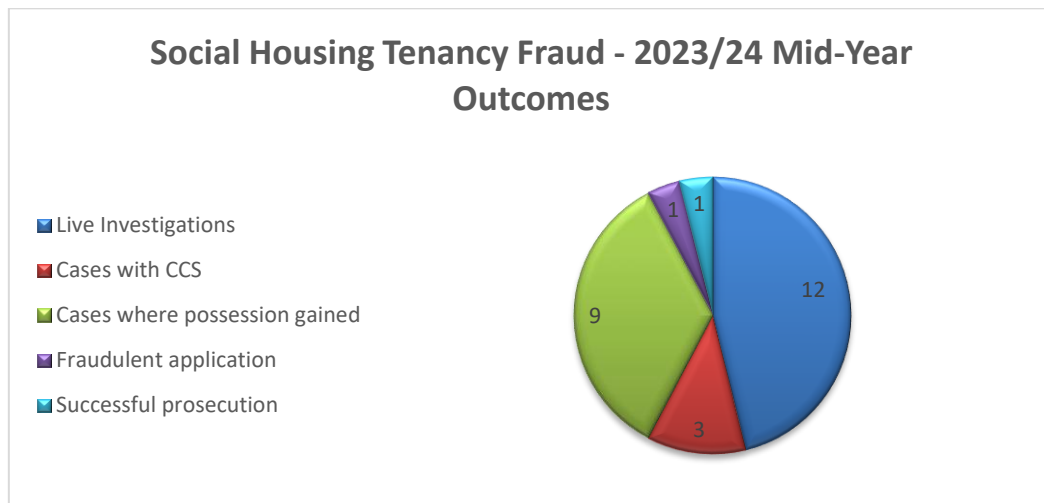
Fraud Prevention

8. Following a number of successful mandate frauds in recent years, and the Counter Fraud teams work with the Transactional Finance Team to improve controls and deliver fraud awareness training to upskill officers, Accounts Payable colleagues have successfully identified and prevented £301,596 in attempted mandate fraud during the first six months of this reporting year. Whilst there is an inherent risk of fraud in payment activities, the successful identification of these attempted frauds demonstrates the benefits of strong internal controls and of developing a fraud aware culture. Internal Audit has recently highlighted the importance of raising purchase orders on a timely basis, and while perhaps not an obvious link, the purchase order is part of the control framework to prevent loss from mandate fraud in that the City's standard terms and conditions incorporate protection for the City of London Corporation in the event that a supplier's communications are compromised.

Social Housing Tenancy Fraud

9. Social housing tenancy fraud remains a key fraud risk for the City of London; the team provides full investigative support across all aspects of housing, from initial applications to the investigation of tenancy breaches and right to buy screening.
10. The volume of tenancy fraud referrals is consistent with the same period in 2022/23. We have recovered nine tenancies lost to fraud in the first half of this reporting year; an increase of 23% on the previous year, that have now been made available to those in greater need of affordable housing, and reducing the pressure on the City's housing waiting list.
11. We currently have two cases with the Comptroller & City Solicitor for prosecution action and one for civil recovery action. One case is listed for a Crown Court trial in November 2024, with the second case involving two defendants subject to an arrest warrant for failing to appear at Magistrates Court hearings.

12. A detailed summary of our work in this area, during the 2023/24 reporting year to date vs. the same period last year can be found at Appendix 2 to this report, whilst a snapshot can be found in the chart below.



National Fraud Initiative (NFI) & NFI London Fraud Hub

13. The Counter Fraud & Investigations Manager is leading on a pan-London project to identify and tackle polygamous working, where workers are engaged simultaneously across multiple contracts. Through his leadership of the London Boroughs Fraud Investigators Group, the NFI London Fraud Hub was launched last year and now boasts 24 London Boroughs. Through this forum we have engaged and harnessed the support of five major suppliers of temporary workers to London Boroughs and undertaken detailed due diligence to allow for the lawful sharing of permanent and temporary worker data across all 24 NFI Fraud Hub members. This proof-of-concept project will run for six months and is scheduled to 'go live' in November 2023, when data will start to be ingested into the Fraud Hub; Output detailing persons of interest will be released to Fraud Hub members in December for further investigation. We will report the progress of this project to Members at the April 2024 Committee.
14. A Council Tax Single Person Discount (SPD) exercise has been undertaken during this reporting year; SPD data was shared through the National Fraud Initiative and matched to Electoral Register data, with the following results.

SPD matches identified		348
SPD matches processed to date		150
SPD cases currently under review		37
No. of SPD frauds identified to date		5
Value of identified SPD fraud to date		£4,143

Whistleblowing

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

16. The number of referrals received via whistleblowing channels is relatively low; however, when referrals are received, they are, at times, of high significance leading to further investigation. During the reporting year to date, two whistleblowing disclosures (as defined in the policy) have been received.
17. Both disclosures related to conduct concerns; the first was an anonymous disclosure that we considered had no basis for any investigation. The second related to a matter under investigation under alternative Policy and Procedures, and following consultation with the Comptroller & City Solicitor it was not considered appropriate to conduct an independent investigation as this would risk prejudicing ongoing matters.

Case Management System

18. We have recently procured a fraud case management system and are in the progress of implementing this system across the team. The system will support paperless case and prosecution files and is anticipated to improve performance by providing a mechanism to manage investigation cases and record evidence in one place. We are working with the supplier to further develop the system to record fraud risks and recommendations arising from corporate investigations.

Corporate & Strategic Implications

19. The work of the Team is designed around minimising the risk of fraud across the organisation by providing a comprehensive counter fraud and investigation response with a clear focus on safeguarding the City's assets and recovering any losses due to fraud; this is underpinned by our Anti-Fraud & Corruption Strategy, which gives due regard to the Corporate Plan.

Conclusion

20. The team continues to perform well with 34 investigations completed during the period with a value of £658,333. We continue to innovate and develop strategies to identify and tackle fraud risks by using 'big data' and the technology we have invested in.
21. Polygamous working represents a significant risk to the City of London and to the wider London public purse, it also represents related intellectual property, reputational and safeguarding risks. The Counter Fraud & Investigations Manager is leading on a pan-London project to tackle this fraud risk through the NFI London Fraud Hub with a 'go live' date in November 2023.

Appendices:

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

Contact:

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Appendix 1 - Analysis of the number of cases investigated between 01/04/2023 and 30/09/2023

1. The chart below provides a detailed analysis of the number of completed investigations, during the first half of the reporting year 2023/24, showing all fraud and investigation types along with the value of investigated cases, including where these can be quantified, the value of corporate and whistleblowing investigations. It also provides the previous half yearly reporting data for comparative purposes.
2. The nature of the concerns raised under the City's whistleblowing channels mean that not all investigations completed under this discipline will have a financial value attached but may instead result in other outcomes such as disciplinary action, or control environment recommendations.

Activity	Completed Investigations 01/04/2023 – 30/09/2023	Value (£'s) 01/04/2023 – 30/09/2023		<i>Completed Investigations 01/04/2022 – 30/09/2022</i>	<i>Value (£'s) 01/04/2022 – 30/09/2022</i>
Social Housing Tenancy Fraud ¹	10	539,634 ^(N)		<i>8</i>	<i>477,008 ^(N)</i>
Right to Buy ²	2	Nil		<i>15</i>	<i>Nil</i>
Housing Application Fraud ³	1	3,240 ^(N)		<i>4</i>	<i>12,960 ^(N)</i>
Blue Badge Fraud	0	Nil		<i>1</i>	<i>575</i>
Corporate Investigations ⁴	15	110,616		<i>5</i>	<i>575,739</i>
Council tax investigations	5	4,843		<i>18</i>	<i>18,979</i>
Whistleblowing Disclosures	1	Nil		<i>1</i>	<i>Nil</i>
Total	34	658,333		<i>52</i>	<i>1,085,261</i>

Notes:

¹ 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.

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

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

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

^(N) Denotes Notional Costs

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Appendix 2 – Housing Tenancy Fraud Caseload Analysis 01/04/2023 to 30/09/2023

Housing Tenancy Fraud Case Referrals	01 April 2023 to 30 Sept 2023	01 April 2022 to 30 Sept 2022
Housing tenancy fraud referrals received in current year	23	23
Right to buy referrals received in current year	2	15
Housing application referrals received in current year	3	6
Cases carried forward from previous year (all disciplines)	17	34
Total	45	78
Cases/referrals currently under investigation		
Cases/referrals currently under investigation	12	24
Cases/referrals closed with no further action	19	39
Cases with Comptroller & City Solicitor for prosecution ¹	2	2
Cases with Comptroller & City Solicitor for civil recovery ¹	1	1
Cases where successful possession gained ³	9	7
Cases where successful prosecution action taken	1	1
Cases where fraudulent application identified ²	1	4
Dishonest Right to buy fraud identified	0	0
Total	45	78
Total value of losses to the public purse from social housing tenancy fraud³		
	£539,624^(N)	£489,968^(N)
Notes:		
¹ Cases with the Comptroller & City Solicitor only included as positive outcomes upon completion of successful criminal/civil action as appropriate. Where offences committed are serious enough to warrant criminal/civil proceedings these are progressed under the Prevention of Social Housing Fraud Act 2013 and/or the Fraud Act 2006 and/or the Housing Act 1985.		
² Fraudulent application includes housing register applications, dishonest succession applications and mutual exchange applications denied. Associated NFI value £3,240 per outcome.		
³ Successful possession gained has a notional value of £59,626, reflecting the loss to the public purse as per tenancy fraud values formula designed and produced by the Tenancy Fraud Forum and the London Borough Fraud Investigators Group. Positive outcomes in respect of housing application fraud investigations result in stopping fraud impacting the City at the point of application and mitigates future investigation costs and losses to the public purse. Right to Buy uses true discount value £112,300 per property.		
^(N) Denotes Notional Value		

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Committee(s): Audit and Risk Management Committee	Dated: 6/11/2023
Subject: Risk Management Update	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	N/A
Does this proposal require extra revenue and/or capital spending?	N/A
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: Chief Strategy Officer	For Information
Report author: 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 September 2023. Further details can be found in the appendices listed at the end of this report.

Recommendation

Members are asked to note:

- This 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 no changes to the risk ratings since the previous written update. However, consideration is being given to whether a red departmental risk on BT's decision to retire their Public Switched Telephone Network (PSTN) should be escalated to a corporate risk.
- The number of departmental red risks has decreased from 26 to 21, with five risks de-activated following a review of the Barbican risk register, and one risk de-escalated to Amber and one risk added from Chamberlain's since the last report to the Committee.

Main Report

Background

1. The corporate and red departmental risks are reported to this Committee as a minimum 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 (CORMG) on 26 September and the Executive Leadership Board (ELB) on 18 October as the Senior Officers accountable for CoLC risk management actions, decisions and outcomes (including consideration of developing risk areas and cross-corporation risk management themes). The CORMG are due to meet again on 2 November.
3. An extraordinary ELB chaired by the Town Clerk was held on 13 October in relation to the conflict in the Middle East. Risks are being reviewed in the light of this, including CR10 Adverse Political Developments by the Remembrancer and Deputy Town Clerk.

Current Position

All Risks

4. Table 1 below shows the overall number and risk ratings of all risks recorded on the Pentana Risk system as of 19 October 2023 compared with 24 August 2023 (the figures last seen by the Committee).

Risk rating (RAG)	October 2023	August 2023	Difference
Red	65	71	-6
Amber	262	266	-4
Green	115	117	-2
Total	442	454	-12

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

5. Table 2 below shows the breakdown of the red, amber and green rated risks by risk level as of 19 October compared to 24 August 2023.

Risk rating	Red		Amber		Green	
	Oct 2023	Aug 2023	Oct 2023	Aug 2023	Oct 2023	Aug 2023
Corporate	4	4	11	11	0	0
Departmental	21	26	97	104	24	23
Service	40	41	154	151	91	94
Team	0	0	0	0	0	0
PPM	0	0	0	0	0	0
Total	65	71	262	266	115	117
Difference	-6		-4		-2	

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

Corporate Risks

6. There are currently 15 corporate risks on the corporate risk register (4x Red, 11x Amber). Attached to this paper at Appendix 1 is the corporate risk register showing the eight risks above appetite.

7. The number of risks and the risk scores remains the same as when the Committee last received an update.
8. At their September meeting, CORMG discussed whether the new red departmental risk relating to BT’s decision to retire their Public Switched Telephone Network (PSTN) - COO DITS 045 PSTN Switch Off 2025 - should be escalated to a corporate risk. Taking place at the end of 2025, this will make current PSTN connections redundant and force an upgrade to digital fibre/mobile services. It was agreed that the Director of Digital Information and Technology should return to the November CORMG meeting having re-drafted the risk through the corporate risk lens. In the meantime, the full details of the COO DITS 045 PSTN Switch Off 2025 risk can be found at Appendix 2. It had previously been flagged to the Committee in their September update.
9. The highest scoring corporate risks – 1x Red 24 (8x3 impact extreme, likelihood possible) and 3x Red 16 (4x4 impact major, likelihood likely) – remain:
 - CR16 Information Security – Red 24
 - CR37 Maintenance and Renewal of Corporate Physical Operational Assets – Red 16
 - CR38 Unsustainable Medium Term Finances City’s Cash – Red 16
 - CR39 Recruitment and Retention – Red 16
10. The RAG matrices below show the distribution of corporate risks as of 19 October (Table 4) and 24 August (Table 5):














































	Minor	Serious	Major	Extreme
Likely			3	
Possible		1	8	1
Unlikely			1	
Rare				1

Table 4: Oct 2023 Corporate Risk Heatmap

	Minor	Serious	Major	Extreme
Likely			3	
Possible		1	8	1
Unlikely			1	
Rare				1

Table 5: Aug 2023 Corporate Risk Heatmap

11. Table 3 below shows a summary of all CoLC corporate risks as of 19 October 2023.

Risk Code	Title	Current Risk Score	Current risk score icon	Trend Icon	Risk flight path	Risk creation date (Pentana)	Risk added to CR Register (year)
CR16	Information Security (formerly CHB IT 030)	24				10 May 2019	Pre-Pentana (2014)
CR37	Maintenance and Renewal of Corporate Physical Operational Assets (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 Sept 2014	Pre-Pentana (2014)
CR09	Health, Safety and Fire Risk Management System	12				22 Sept 2014	Pre-Pentana (2014)
CR29	Information Management	12				08 Apr 2019	Pre-Pentana (2014)
CR30	Climate Action	12				07 Oct 2019	2019
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
CR10	Adverse Political Developments	8				22 Sept 2014	Pre-Pentana (2014)
CR17	Safeguarding	8				22 Sept 2014	Pre-Pentana (2014)
CR21	Air Quality	6				07 Oct 2015	2015

Red Departmental Risks

12. There are currently 21 departmental red risks, with five risks de-activated following a review and risk consolidation by the Barbican since the last report to the Committee. A summary of the top red departmental risks can be found at Appendix 3.

13. Changes to the register

- Risks de-activated:
 - Now covered under Finance 006 Failure to Manage Changing Business Environment: **BBC Arts 027 Impact of Economic Factors on Our Business (Supply and Demand)**
 - All risks below now covered under updated wording of Buildgs 027 Failure to Invest in the Renewal of Buildings and Estates Infrastructure:
 - **BBC Buildgs 018 Failure to Secure Sufficient Funds for Barbican Renewal**
 - **BBC Buildgs 020 LTHW Pumps**
 - **BBC Buildgs 025 Inadequate and Inappropriate Levels of Engineering Resource**
 - **BBC Buildgs 028 Insufficient Staffing Levels to Cover Safety**
- Risk added:
 - **CHB 002 Housing Revenue Account Financials Red 16** (impact major 4 x likelihood likely 4). This reflects an increasingly precarious five-year financial projection in relation to the HRA noting various challenges, e.g. from inflationary cost pressures of building repairs, maintenance, and utility costs. Mitigations have been put in place and continuous close monitoring is being undertaken by Chamberlain's, working closing with DCCS. The ability to balance the budget with the newly emerged in-year pressures is not clear and will be reported to Members as part of the autumn Estimates process via the Corporate Services Committee and the Finance Committee through the Medium-Term Finance Plan.
- Risk de-escalated to Amber:
 - **CHB 001 Chamberlain's department transformation and knowledge transfer** (impact serious 2 x likelihood possible 3). This score change reflects multiple successful ongoing mitigations including the successful recruitment and fulfilment of the Assistant Director and vacancies across financial services, enabling realignment of workloads, and work on learning and development (e.g. reconvening of the CHB Learning and Engagement board).

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

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

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 document (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 - above appetite risks only
- Appendix 2: COO DITS 045 PSTN Switch Off 2025
- Appendix 3: All Red Departmental Risks - short summary report

Tabitha Swann

Head of Corporate Strategy and Standards

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Corporate Risk Detailed Register EXCLUDING completed actions by risk appetite

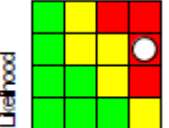


Generated on: 20 October 2023



Rows are sorted by Risk Score

Code & Title: CR Corporate Risk Register 8

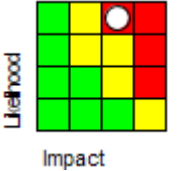
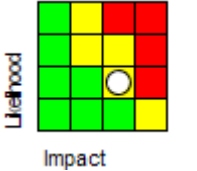
Risk Appetite Level Description Risk above appetite

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	Current Risk score change indicator
CR16 Information Security (formerly CHB IT 030)	<p>Cause: Breach of City of London Corporation IT Systems resulting in unauthorised access to data by internal or external sources.</p> <p>Event: The City Corporation does not adequately prepare, maintain robust (and where appropriate improve) effective IT security systems and procedures.</p> <p>Effect: a) Failure of all or part of the IT Infrastructure with associated business systems failures. b) Harm to individuals. c) A breach of legislation such as the Data Protection Act 2018 and UK-GDPR. d) Incurrence of a monetary penalty. e) Corruption of data. f) Reputational damage to City of London Corporation as an effective body.</p>	 <p>Likelihood</p> <p>Impact</p>	<p>24</p>	<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>The security service provided by Agilisys has now been brought in-house, giving greater control and visibility over Security controls.</p>	 <p>Likelihood</p> <p>Impact</p>	<p>16</p>	<p>31-Mar-2024</p>	

10-May-2019 Emma Moore				We are committed to increasing our Secure Score month on month, and this will be reported to Digital Services Committee.				
				17 Oct 2023			Reduce	Constant

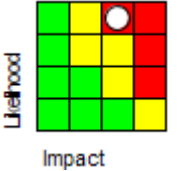
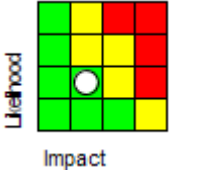

Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR16q User behaviour monitoring	Monitoring user activity on the network for any suspicious or unauthorized behaviour	Whilst we have monitoring of activity in place there is no behavioural analytical solution to identify anomalous behaviour. This capability is a significant control in detecting and preventing ransomware attacks.	Gary Brailsford-Hart	17-Oct-2023	31-Dec-2023
CR16r Access control monitoring	Monitoring access control systems and processes to ensure that only authorized users have access to sensitive information	Controls are in place to manage the access control to the estate; improvements have been made in the application of multifactor authentication. However, the escalation and acceptance of privileged accounts remains within the IT department and is not subject to independent scrutiny	Gary Brailsford-Hart	17-Oct-2023	30-Sep-2023
CR16s Incident response	Developing and implementing a plan to respond to any security incidents that occur.	We have drafted a Cyber Incident Plan as well as operating cyber testing exercises. However, there is a need to produce further playbooks and develop more testing and exercising events	Gary Brailsford-Hart	17-Oct-2023	31-Aug-2023
CR16t Security information and event management (SIEM)	Using software tools to collect and analyze data from various security sources to detect and respond to security incidents.	This is in place and operating. Microsoft Sentinel is in place and collecting activity from across CoL. This is monitored and managed by the InfoSec team who will detect and investigate incidents highlighted by the SIEM.	Gary Brailsford-Hart	17-Oct-2023	30-Sep-2023
CR16u Security awareness training	Providing regular training to staff and employees on cyber security best practices to prevent security breaches.	We have confirmed that MetaCompliance Learning is currently licensed for CoL but has not been deployed. InfoSec team will be engaging with learning and development to support, refresh and deliver this across CoL. We have developed an awareness plan and produce weekly cyber security articles which are being shared with communications colleagues 03/10/2023 - Launch of Cyber Security awareness training: Module 1, delivered to all staff	Gary Brailsford-Hart	17-Oct-2023	31-Oct-2023

		October is cyber month and the security team will be distributing practice advice based on a different theme for each week in October.			
CR16v Security Baseline assessment – COL/COLP/Institutions	Security Baseline assessment – COL/COLP/Institutions	Initial assessment complete, work is ongoing to identify trends and a developments plans and updates to the CAF will continue – reviewed bi-annually	Gary Brailsford-Hart	17-Oct-2023	31-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	Current Risk score change indicator
CR38 Unsustainable Medium Term Finances - City's Cash 30 Oct-2022 Caroline Al-Myerty Page 92	<p>Causes: High inflation –Office for Budget Responsibility forecasting peak in Autumn 2022 and although predicted to fall over the next two years, embedded increases. Construction inflation running at 4% for 2023/24. Contraction in key income streams and increase in bad debts following post pandemic change in working practices still continues into 2023.</p> <p>Event: Inability to contain financial pressures within year (2022/23) and deliver sustainable savings already baked in and/or increase income generation not realised requiring further draw down on Reserves. Inability to contain construction inflation or inability to rescope capital schemes within budgets.</p> <p>Effects: Additional savings over and above those identified to meet this challenge are required, reserves are utilised and/or services stopped. The City Corporation’s reputation is damaged due to failure to meet financial objectives or the need to reduce services / service levels to business and community. Inability to deliver capital programme and major projects within affordability parameters. Spend is not aligned to Corporate Plan outcomes resulting in suboptimal use of resources and/or poor performance. Stakeholders experiencing reduced services and service closures.</p>		16	<p>The five-year financial plan provides recommendations for one-off cost pressures and ongoing pressures, now approved via the carry forward process on 30 June, this also included approval of £3.5m central contingency to support unforeseen inflationary pressures.</p> <p>An officer Star Chamber took place during May/June to review savings yet to be delivered during 2023/24 and was presented to RASC sub away day</p> <p>16 Oct 2023</p>		8	31-Mar-2023	Constant
							Reduce	

Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR38a Impact of inflation	Impact of inflation <ul style="list-style-type: none"> • Rising inflationary pressures on energy costs • Rising inflationary pressures on construction and labour costs 	<p>The five year financial plan was approved by Court of Common Council on 9 March:</p> <p>2023/24 base budgets include 2% uplift plus increase in base to support July 2022 pay award.</p> <p>Mitigations approved by CoCo in March 2023 include: 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</p>	Sonia Virdee	11-Jul-2023	31-Mar-2024

		<p>and the culture shift. Additional funding allocated to support the backlog of urgent Cyclical Works Programme.</p> <p>£3m contingency ringfenced for urgent health and safety works under capital programme.</p> <p>An update on the five year financial plan was presented to RASC away day, with recommendations on 2024/25 budget setting.</p>			
CR38b Impact of construction inflation on capital programme	<p>Impact of construction inflation on capital programme:</p> <ul style="list-style-type: none"> • Major projects • Business as usual capital programme <p>Remain within the financial envelopes approved for major projects</p>	Refer to CR35c.	Sonia Virdee	11-Jul-2023	31-Mar-2024
CR38e A reduction in key income streams and increase in bad Debt	<p>A reduction in key income streams and increase in bad Debt</p> <p><i>Triggers:</i> <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 included 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 and this continues to prove effective.</p>	Phil Black; Sonia Virdee	31-Aug-2023	30-Jun-2024
CR38f Achievement of current Savings Programme	Achievement of current Savings Programme – includes flight path savings (Fundamental Review) and securing permanent year on year savings (12%).	<p>The five year financial plan provides recommendations for one-off cost pressures and on-going pressures.</p> <p>Quarterly revenue monitoring undertaken to ensure departments have appropriate plans in place to meet savings. High risk departments are undertaking monthly revenue monitoring.</p> <p>An officer Star Chamber was held during June which was to review savings yet to be delivered during 2023/24 and was presented to RASC sub away day.</p>	Sonia Virdee	16-Oct-2023	31-Mar-2024

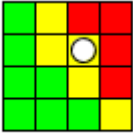
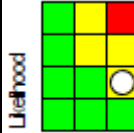
Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
CR39 Recruitment and Retention 21-Feb-2023 Emma Moore Page 94	Cause: The Corporation had 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. Event: 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. Effect: 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.		16	Our data tells us that voluntary turn over is declining which is a positive improvement for the City of London corporation, however we recognise that the actions set out within the risk which are being worked towards, are essential to both maintaining a satisfactory level of employee retention and position ourselves in the market as an employer of choice. 17 Oct 2023		4	31-Dec-2024	 Constant
							Reduce	

Action no, Title,	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	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 potential for outsourcing. City Corporation wide workforce planning is at a very nascent stage. With the exception of current TOM work and bespoke interventions on an ad hoc basis, organisation-wide workforce planning will require basics to be in place including a robust and accurate establishment structure, improved identification of job families accompanied by a standardised job evaluation approach and a ERP system that connects employees and finance to support analysis and decision-making; all work underway. Skilled capacity to work closely with business areas to identify current and future workforce needs will be required to work with the management community.	Alison Littlewood ; Emma Moore; Cindy Vallance	08-Sep-2023	30-Apr-2025
CR39b	Full review of pay, terms and conditions to update working	We have now launched our Total Reward Project to review and update our pay	Alison	17-Oct-2023	31-Jul-2024

Ambition 25 Reward Review	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 Autumn 2024	and reward offer for all employees with the organisation. We have communicated our intentions around this piece of work to the organisation and the project which is now titled 'Ambition 25'. A data review is underway to support the next phase of the project which will be to consider design options. So far, responses to this has been widely positive. Feedback on our priorities, including on Reward has been received through our engagement on the Corporate plan and People Strategy.	Littlewood		
CR39c Agency provider renewal	Support recruitment in hard to fill roles and provide additional capacity when in house capacity is stretched. 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	Evolving Solutions began work first week of Sep 23, creating a comprehensive timeline and meeting key contacts. They are reviewing the current contract and associated policies and organising workshops for key stakeholders. They are supporting a committee paper to Finance in Oct 23 to extend the current contract with Hays for 12 - 18 months.	Alison Littlewood ; Cindy Vallance	26-Sep-2023	30-Apr-2024
CR39d Effective recruitment review	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. To improve candidate and hiring manager experience and enable a more proactive service model. Phase 1 June 2023 and phase 2 April 2025	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 2025 Areas for improvements in current processes already identified and underway. Quick wins work to be completed in January 2023 and actioned by March 2023. Planning for additional short-term improvements in iTrent are underway, subject to budget approval. Phase 2 work to be completed as part of ERP programme. Procurement to Nov 2023. Implementation Nov 2023 – Apr 2025	Alison Littlewood ; Cindy Vallance; Dionne Williams-Dodoo	08-Sep-2023	30-Apr-2024
CR39e Development of departmental workforce planning reports	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	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. This will support department level reporting with increased accuracy. Completion date Sep 23.	Dionne Williams-Dodoo	08-Sep-2023	02-Jan-2024
CR39f Define Talent, Succession and Career Pathway Approach	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.	People strategy engagement is confirming priorities across City Corporation to ensure time is allocated for the areas of greatest need. Pay project, effective leadership, belonging and wellbeing, inclusive recruitment and manager and culture development are critical. ERP is a basic necessity to enable decision-making.	Alison Littlewood ; Cindy Vallance	26-Sep-2023	02-Jan-2024
CR39h Data and metrics - turnover	We have set a KPI on voluntary turnover for the organisation which has been set out within the HR Business Plan for 2023/24. The target set is to remain below 15%. We are now monitoring this KPI on a monthly	As of September 2023 voluntary turnover is in line with our target of remaining below 15% and is a 11.46%. We have established a working group within corporate HR lead by the HR Transformation		17-Oct-2023	31-Mar-2024

	<p>basis and reporting performance against this target to the organisation through the COO Monthly Reporting Pack which is published each month. At the end of December 2022 we were reporting a turnover figure of 18% which was above the current target. However, we have seen this steadily decrease and stabilise over the last few months which is positive to see. A likely contributor to this decrease is a stabilising of leaver movement over time post TOM. As of September 2023 we are reporting a voluntary turnover figure of 11.46%. Overall turnover is at 14.26%. We will continue to monitor this target and review with senior leadership to determine any appropriate actions or response.</p> <p>We are continuing to develop how we utilise people data to help inform decisions for the City of London Corporation. We are currently developing a dynamic HR dashboard for ELB and our Business Partnering team to delve further into relevant people metrics such as EDI, Workforce, sickness, turnover and other key business information. The intention will be to allow leaders to drill down further into their areas to understand how trends such as turnover are impacting their departments. This will help inform appropriate and bespoke strategic responses at a department level and at any other level which may be identified from the data, not assuming a one size fits all approach.</p>	<p>Team to develop a new people dashboard through the use of Microsoft power BI.</p> <p>This will help to inform appropriate responses at a department level to turn over and other important people metrics.</p>			
<p>CR39i Employee onboarding journey, Data and metrics - time to hire</p>	<p>As part of our development of improved workforce data, the Corporate HR team have worked to define a KPI around time to hire to help us monitor the effectiveness of the candidate onboarding journey and speed in which we can onboard candidates into the City of London Corporation. The current target of 45 days is deemed as an industry standard that we should be striving towards and measures the amount of working days from advert close to start date.</p> <p>In the last few months, the average time to hire has ranged between 43 days and 55 days in any given month. In cases where the time to hire was higher than the target of 45 days, this was partially due to candidate notice periods.</p>	<p>As of September 2023 the average time to hire is at 55 days which is higher than the target than the average 45 days. This was partially due to candidate notice periods impacting start date.</p> <p>However, we recognise that our largely manual processes and systems need improving to help the team work to consistently meet this KPI. Other related actions on process and systems improvements, including the purchasing of a new ERP are sited as related to this action.</p>		<p>17-Oct-2023</p>	<p>31-Mar-2024</p>

	<p>However, we recognise that our largely manual processes and systems need improving to help the team work to consistently meet this KPI. Other related actions on process and systems improvements, including the purchasing of a new ERP are sited as related to this action.</p> <p>The team will continue to monitor and report against our KPI on time to hire. We have also begun work to develop a new dashboard which will provide further data and metrics on recruitment and the candidate journey to inform decisions.</p>				
<p>CR39j Employee offer/candidate attraction and employer branding</p>	<p>We recognise that having a positive employment brand helps to attracts potential candidates and key stakeholders. This also relates closely to defining our employee offer and work set out as part of our People Strategy on resetting our Vision and Values. This will help us to better define what it means to be an employee</p>				<p>31-Dec-2024</p>

Risk no, Title, Creation date, Owner	Risk Description (Cause, Event, Impact)	Current Risk Rating & Score		Risk Update and date of update	Target Risk Rating & Score		Target Date	Current Risk score change indicator
CR01 Resilience Risk 20-Mar-2015 Ian Thomas	Cause - Lack of appropriate planning, leadership and coordination Event - Emergency situation related to terrorism or other serious event/major incident is not managed effectively Effect - Major disruption to City business, failure to support the community, assist in business recovery. Reputational damage to the City as a place to do business.	 Likelihood Impact	12	Castellan (formerly Clearview) BC management tool continues to be implemented rollout has begun across Col depts 22 Aug 2023	 Likelihood Impact	8	28-Dec-2023	Constant
							Accept	

Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR01L Business Continuity Management Page 98	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. This date is extended due to staff loss and changes but with implementation continuing across depts with further training and admin rights being establishe</p>	Gary Locker	22-Aug-2023	30-Sep-2023
CR01M Review of LALO Local authority liaison officer	process, training, call out process to strengthen the City capability and resilience in responding to major incident and complying with the wider London boroughs standardisation programme	<p>Training for this session complete process and call out still to be finalised Continues</p> <p>Intranet note to staff to identify new potential LALO March 2022</p>	Gary Locker	22-Aug-2023	31-Dec-2023

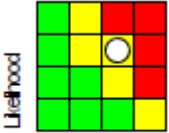
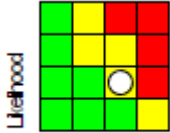

		<p>LALO were involved in a City based partnership exercise February 2020, Intranet note seeking further staff support posted March 2022 to boost capabilities</p> <p>Pan London standards process currently held due to Covid 19 response , Lalo training will be key to capability going forward Feb 2021 LALO training is a rolling programme delivered by London Resilience Group , resilience team ensure capability and numbers of LALO are appropriate for Col response and engage LALO in local/pan London exercise where appropriate</p> <p>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 Successful Refresher complete 10/3/23 dates for the end of December 23 are being considered for development training</p>			
<p>Page 99</p> <p>CR01N Standardisation procedures</p>	<p>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>	<p>Gold major incident awareness training day completed for new Col Chief Officers 21/10/21 module 1 included Media</p> <p>training event planned for 22/9/23 implications , Humanitarian aspects , Civil Contingencies Act & Command structure responsibilities . Module 2/3 to follow 2022 Legal Implications & Public Inquiries session New senior staff to be identified for further training and awareness process continues as organisation changes continue.</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>	<p>Gary Locker</p>	<p>22-Aug-2023</p>	<p>30-Sep-2023</p>
<p>CR01Q Rolling DR tests</p>	<p>Plan an annual calendar of IT DR tests, covering critical systems and services</p>	<p>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</p>	<p>Chris Rawding</p>	<p>22-Aug-2023</p>	<p>01-Dec-2023</p>

<p>ability to champion sustainable growth of not hitting net zero targets / maintaining resilience</p>					
<p>CR301 Risk of not hitting net zero and resilience targets for City Corporation operational and investment assets, whilst maximising returns</p>	<p>Deliver programme of works across operational and investment portfolios</p>	<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 were updated in April 2023 and discussed with individual Asset Managers, to inform an overall Operational Plan which is currently undergoing development and should be released not later than September 2023.</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). The cost saving fund is being implemented and the first cost savings should be transferred to fund during FY 203/24.</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>Paul Wilkinson</p>	<p>26-Jun-2023</p>	<p>31-Mar-2027</p>

		Therefore, a dedicated engagement plan for this residential community to be in place for March '23.			
CR30m Risk of not hitting net zero targets for financial investments and supply chain	Monitor and drive performance against net zero and financial targets for financial investments and supply chain, continually refreshing learning	<p>Funded project plans with resources and capability requirements have been updated for FY22/23 and approved at May Policy and Resources Committee.</p> <p>Purchased Goods and Services actions for the coming year:</p> <ul style="list-style-type: none"> * Implementation of the Carbon Net Zero Procurement Plan; FY 2022 – 2024 * Working with our supply chain to embed Climate Action KPIs into the supply chain through focus on the most impactful contracts. * Focusing on the most impactful contracts, migrate away from proxy values to track carbon performance more accurately. With a focus on the most impactful contracts, we have successfully transitioned from proxy values to enhance the accuracy of tracking carbon performance by implementing the new carbon accounting software, Avarni. As a result, six out of the top 25 suppliers have been migrated to the software, enabling them to report actual emissions instead of relying on spend-based proxies. * Developing low carbon, green and circular criteria, and standards to help decouple carbon from spend. <p>Additionally, all work undertaken is with the 55% reduction in supply chain emissions target, from the 2018 baseline, in mind.</p> <p>Financial Investment actions for the coming year</p> <ul style="list-style-type: none"> * Formulating and implementing plan to address financial physical and transition risks within the upcoming strategic asset allocation process. * Working with fund managers to ensure robust risk management on the portfolio and timely disclosures. <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	26-Jun-2023	31-Mar-2027
CR30n Resilience risks of Square Mile infrastructure and public realm and risk of not hitting	Monitor and drive performance against net zero and resilience targets, continually refreshing learning	<p>Cool Streets & Greening Gateway 3-4 approved for nine Year 1 and six year 2 sites. Implementations complete for six year 1 sites, 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 & Greening project.</p>	Bob Roberts	03-Feb-2023	31-Mar-2027

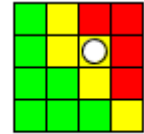
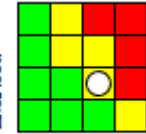

net zero targets for developments and transport		Phase 1 of pedestrian priority programme has been approved. Phase 2 still needs approval and has political risk attached to it. If the programme of Pedestrian Priority restrictions and traffic reduction is not delivered this significantly undermines the ability to reach net zero.			
CR30o Reaching carbon removal targets through open spaces	Set out carbon removal action plan and mobilise	<p>Current risks are:</p> <p>*Challenge by tenant to termination of farming tenancy which would make one of the key project sites unavailable. To mitigate this, additional consultancy has been retained to support fair and efficient process to negotiations.</p> <p>*The report identifying the land management works that could deliver on the project target reveal the costs/timescales/constraints of these works makes the project unfeasible</p> <p>*Possible issues with gaining access to additional land required for carbon sequestration target.</p> <p>*Underestimation of project costs and costed risks. This is mitigated through detailed quarterly budget reviews.</p> <p>The carbon sequestration study is now completed however additional clarification is required to explore further carbon removal opportunities including creating site plans for Phase 3, pursue of viable opportunities in the wood product markets and developing tender for project monitoring services.</p>	Bob Roberts	03-Feb-2023	31-Mar-2027
CR30p Delivery delays and failures due to stakeholder / public action / inaction	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 Protecting vulnerable	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	Judith Finlay	16-Nov-2022	31-Mar-2027

groups who are most likely to be impacted by climate change and fulfilling Public Sector Equalities Duty		programme of work.			
CR30r That the scope, budget, timescales, targets and/or commitments of the climate action strategy are not delivered upon through the climate action programme of work	Agree to and implement appropriate governance to embed Climate Action in departmental scrutiny. Ensure appropriate capacity and capabilities are in place including for regular KPI progress reporting via the CPF. Ensure mechanisms in place for releasing staged financing. Set up regular tracking of impact of our actions on targets.	<p>In order to measure and report progress against our targets transparently, a Climate Action Dashboard has now been completed and is live on the external COL website and is being reviewed and updated each quarter. This update process is governed by a new Dashboard Data Governance & Reporting Procedure which has been shared with key officers in Q4 of 2022/23. The dashboard allows 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 CO2 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 & 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	26-Jun-2023	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	Current Risk score change indicator
CR35 Unsustainable Medium Term Finances - City Fund 19-Jun-2020 Caroline Al-Beyerty	<p>Causes: 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 4% for 2023/24. Contraction in key income streams and increase in bad debts following post pandemic change in working practices still continues into 2023/24. Police Transform programme fails to realise the budget mitigations anticipated within the MTFP. Anticipated decline in public sector funding (local government and Police), increasing demands (revenue and capital) and an ambitious programme of major project delivery threaten our ability to continue to deliver a vibrant and thriving Square Mile.</p> <p>Event: Inability to contain financial pressures within year (2023/24) and deliver sustainable savings already baked in and/or increase income generation to meet the Corporation’s forecast medium term financial deficit will not be realised. Inability to contain construction inflation or inability to rescope capital schemes within budgets.</p> <p>Effects: Additional savings over and above those identified to meet this challenge are required, reserves are utilised and/or services stopped. The City Corporation’s reputation is damaged due to failure to meet financial objectives or the need to reduce services / service levels to business and community. Being unable to set a balanced budget which is a statutory requirement for City Fund. Inability to deliver capital programme and major projects within affordability 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>Consumer Price Index rose by 6.8% in 12 months to July 2023. Inflation is predicted to fall 6.1% in 2023, however increases are feared to be embedded creating pressures on service/departmental 2023/24 budgets to make further savings.</p> <p>Construction inflation is forecast at 4% for 2023/24.</p> <p>The Bank of England base rate rose to 5.25% on 03 August 2023 and remained at this level following the September MPC meeting; there is an expectation that it will rise further to 5.5%.</p> <p>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.</p>		8	31-Mar-2024	
							Reduce	

Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR35a Impact of inflation	<p>Impact of inflation</p> <ul style="list-style-type: none"> • Rising inflationary pressures on energy costs • Rising inflationary pressures on construction and labour costs 	<p>2023/24 base budgets include 2% uplift plus increase in base to support July 2022 pay award.</p> <p>Mitigations approved by CoCo in March 2023 include: increase in Business Rate Premium; rise in core Council Tax and Adult Social Care; rise in HRA rents; 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> <p>Identified inflationary pressures are well within the contingencies held, in addition, interest rates are giving a welcome boost to City Fund finances.</p> <p>The £30m ringfenced reserves released to support the backlog of urgent Cyclical Works Programme.</p> <p>£3m contingency ringfenced for urgent health and safety works under capital programme.</p> <p>An update on the medium term financial plan was presented to RASC away day, with recommendations on 2024/25 budget setting.</p>	Sonia Virdee	16-Oct-2023	31-Mar-2024
CR35b Impact of the HRA	<ul style="list-style-type: none"> • Impact of inflation – capital schemes forecast to exceed budget as well as much increased repairs and maintenance and energy costs. • Need to monitor identified expenditure risks around recovery of leaseholder contributions following the decision not to allow the Appeal of the Great Arthur Cladding case. 	<p>Close monitoring of capital schemes is required during 2023/24, update to be provided in the regular reporting of capital forecasts, first forecast presented to Finance Committee in October. Continue to monitor the risk around non-recovery of leaseholder contributions to capital projects following the Great Arthur cladding case decision.</p> <p>The Savills report identified high repairs and maintenance costs, management costs and depreciation charges. The relatively high level of the depreciation charge is being reviewed as part of the Estimates process. At the same time the level of the internal recharge to the HRA is being investigated as part of a City wide review.</p> <p>The current repairs and maintenance contract has had to be extended but will be re-procured as soon as feasible. Further controls on R&M spend to be implemented by Housing.</p> <p>The latest financial position on the overall HRA, including the reviews noted above will form part of the HRA Estimates report to be presented in the autumn. Note the previous five year financial projections show the revenue funding position remained precarious and vulnerable to revenue overspends or significantly rising capital costs (leading to higher loan repayments and interest charges).</p>	Mark Jarvis; Paul Murtagh	16-Oct-2023	31-Mar-2024
CR35c Impact of construction inflation	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, Investment Board and Finance Committee to understand	Sonia Virdee	16-Oct-2023	31-Mar-2024

		<p>the investment/asset disposal strategy. Regular reporting on the major projects programmes will be presented to Capital Buildings Board, Finance Committee, and Policy and Resources Committee monthly and draw down requirements to the Investment Committee.</p> <p>Capital financing options was presented to RASC sub away day, further discussions with RASC took place on 5th September.</p> <p>The Capital Finance Strategy for the Major Projects programme, included as an agenda item to this committee.</p>			
CR35f Achievement of current Savings Programme	Achievement of current Savings Programme – includes flight path savings (Fundamental Review) and securing permanent year on year savings (12%).	<p>The medium-term-financial plan provides recommendations for one-off cost pressures and on-going pressures.</p> <p>Quarterly revenue monitoring undertaken to ensure departments have appropriate plans in place to meet savings. High risk departments are undertaking monthly revenue monitoring.</p> <p>An officer Star Chamber was held during June which was to review savings yet to be delivered during 2023/24 and was presented to RASC sub away day.</p>	Alistair Cook; Sonia Virdee	16-Oct-2023	31-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	Current Risk score change indicator
CR36 Protective Security	<p>Cause: Lack of appropriate governance, inadequate security risk assessments, prioritisation, and mitigation plans. Inadequate, poorly maintained or time expired security infrastructure and policies; lack of security culture and protective security mitigation; poor training, inadequate vetting, insufficient staff.</p> <p>Event: Security of an operational property and event space is breached, be that internal threat, protest and/or terrorist attack. Publicly accessible areas for which the Corporation are responsible for are subject to an undisrupted Terrorist attack.</p> <p>Effect: Injury or potential loss of life caused by an undisrupted attack, unauthorised access to our estate by criminals/protestors/terrorists; disruption of business/ high profile events; reputational damage.</p>	 <p style="text-align: center;">Likelihood</p> <p style="text-align: center;">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</p> <p>Work continues in all areas, all</p>	 <p style="text-align: center;">Likelihood</p> <p style="text-align: center;">Impact</p>	8	01-Jan-2024	

			<p>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>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 nd 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</p>				
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			<p>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.</p> <p>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</p> <p>Work continues in all areas, there is ongoing Gold command training for new chief officers cohort. The</p>				
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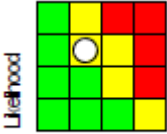
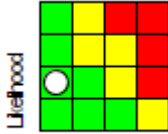

<p>10-Jan-2022 Page 11 Thomas</p>			<p>previously report VSAT system has now been fully adopted and working parallel with site protect packs, this is now been reviewed across the City Surveyors estate to asses where we are in relation to protective security across our estate. The draft Terrorism (Protection of Premises) Bill has been announced, this was discussed in detail at SSB and work is in place to respond to the home affairs select committee and ensure as an organisation and across the institutions we are fit for purpose. The 10 high risk properties have now had protective measures applied, one final element will be addressed in Sept 2023.</p> <p>22 Aug 2023</p>			<p>Reduce</p>	<p>Constant</p>
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Action no, Title,	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR36a Governance	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>	Ian Thomas	22-Aug-2023	01-Jan-2024

		<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> <p>The new TC and CEO has chaired the two recent SSB's holding all thematic workstreams to account and the implications of the draft Terrorism (Protection of Premises) Bill has been detailed and mitigations mapped out.</p> <p>People Security Board is now back in place looking at insider threat and CT training</p>			
CR36b Police Contest	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	22-Aug-2023	01-Jan-2024
CR36c Command and Control	Incident/Event/Protest Command	<p>Training and accreditation of staff to carry out command roles, at Strategic, Silver and Operational roles.</p>	Richard Woolford	22-Aug-2023	01-Jan-2024

		<p>Event Risk assessment covering High, Medium, Low risk events.</p> <p>All High-Risk events to be raised at SSB, confirmation of appropriate command team.</p> <p>Tabletop Exercises to be done prior to High-Risk events and in cycle with partners, with learning captured and audit trails maintained by Resilience team.</p> <p>This has included November 2021 Lord Mayors Show. Pre-Christmas all venues High Risk Table Tops exercises including direct action and terrorism.</p> <p>LMS 2021 debriefed with action plans being addressed with all partners.</p> <p>Ongoing planning for Platinum Jubilee, Operation London Bridge.</p> <p>XR protests in April 2022 will be lead by chief officer Gold, with learning from previous events with embedded partnership engagement with MPS and COLP, with all appropriate departments included.</p> <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</p>			
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		<p>February. This will be followed by further command and control training, across Strategic, Tactical and Operational levels.</p> <p>New Gold training sept for 22nd September 2023, with Comptroller attending a recent MAGIC (Multi Agency Gold Incident Command) Course, with enquiries in hand for others to do likewise. All events continue to be risk assed RAG, with appropriate command teams in place</p>			
CR36d Prevent	Prevent	<p>This multi-agency response led by DCCS in support of HM Government guidance. Ensuring safeguarding is at the heart of Prevent with our communities and families. This is ongoing lead by DCCS</p> <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	22-Aug-2023	01-Jan-2024
PS90114 36f City of London Corporation Buildings	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> <p>The previously report VSAT system has now been fully adopted and working parallel with site protect packs, this is now been reviewed across the City Surveyors estate to asses where we are in relation to protective security across our estate.</p>	Simon Causer	22-Aug-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	Current Risk score change indicator
CR21 Air Quality 07-Oct-2015 Bob Roberts	<p>Cause: Levels of air pollution in the City, specifically nitrogen dioxide and fine particles, impact on the health of residents, workers and visitors. The City Corporation has a statutory duty to take action to improve local air quality.</p> <p>Event: The City of London Corporation is insufficiently proactive and resourced, and does not have the right level of competent staff, to be able to fulfil statutory obligations, as a minimum, in order to lower levels of air pollution and reduce the impact of existing air pollution on the health of residents, workers and visitors.</p> <p>Effect: The City Corporation does not fulfil statutory obligations and air pollution remains a problem, impacting on health. Potential for legal action against the Corporation for failure to deliver obligations and protect health. Adverse effect on ability to deliver outcomes 2 and 11 of the Corporate Plan</p>	 Likelihood Impact	6	No change from the current risk rating. Risk will be reviewed following adoption of updated air quality strategy in 2024 03 Oct 2023	 Likelihood Impact	2	31-Dec-2026	 Constant
							Reduce	

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Action no, Title	Action description	Latest Note	Action owner	Latest Note Date	Due Date
CR21 001h	Develop baseline model for compliance assessment and publish annual report of air quality data	The 2022 Annual Status report was submitted on time and approved by the GLA and Defra. Work is underway to assess the % area compliance for 2022.	Ruth Calderwood	12-Oct-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	12-Oct-2023	31-Dec-2025
CR211	Assess percentage compliance rate with NO2 target	The % area compliance for 2021 was 94%. Work is underway to assess the % compliance area for 2022.	Ruth Calderwood	12-Oct-2023	31-Dec-2024

COO DITS 045 PSTN Switch Off 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
COO DITS 045 PSTN Switch Off 2025 Page 17 18-Aug-2023 Zaki Ghauri	<p>Cause: BT will retire their PSTN (Copper) Network at the end of 2025. Rendering all current connections redundant.</p> <p>Event: All current PSTN (Copper) connections will become unusable by the end of 2025. Forcing an upgrade to digital fibre or mobile services.</p> <p>Effect: All of our PSTN connections will cease at the end of 2025. This is in the range of 8,500 connections, which are linked to Lift/BMS/Fire Alarms and Door entry systems. Should these systems fail to be upgraded by the end of 2025, this could lead to essential services being inactive, without anyone being aware. This work will have significant financial impact to complete and failure to complete will have significant reputational impact</p>	 Likelihood Impact	16	New risk - PSTN Switch Off to be discussed at the next risk assessment with SLT. No funding is currently available to initiate remediation 18 Aug 2023	 Likelihood Impact	8	31-Dec-2025	 Constant

Action no	Action description	Latest Note	Latest Note Date	Due Date
COO DITS 045a	Investigations into the entire estate	BA is required to complete investigations and formulate remediation plan	18-Aug-2023	31-Dec-2023
COO DITS 045b	Funding – Start Capital Bid/Gateway Process	Seed funding required to investigate the size of the issue.	18-Aug-2023	31-Dec-2023

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Top red risks only - short summary by department (as at 19 October)

Report Type: Risks Report



Rows are sorted by Risk Score



Department Description Barbican Centre

Department Description: Barbican Centre 5

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 007	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 Finance 008	Inadequate Levels of Staff in Key Areas of the Business	4	4	16		4	2	8		31-Oct-2023	Reduce	
BBC H&S 002	Failure to deal with Emergency/Major Incident/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-2025	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 002	Housing Revenue Account Financials	4	4	16		4	2	8		31-Mar-2025	Reduce	




Department Description Chief Operating Officer

Department Description: Chief Operating Officer 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
PO DITS 5	PSTN Switch Off 2025	4	4	16		4	2	8		31-Dec-2025		





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
CSG-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	

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 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	Reduce	




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 CROSCH 012	Failure to invest in the renewal of buildings and estates infrastructure	8	4	32		4	1	4		31-Mar-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
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	
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
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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