



## Audit and Risk Management Committee

**Date:** MONDAY, 17 NOVEMBER 2025  
**Time:** 11.00 am  
**Venue:** COMMITTEE ROOMS, GUILDHALL

**Members:**

Alderman Prem Goyal CBE (Chairman)	David Sales
Alderwoman Elizabeth Anne King, BEM JP (Deputy Chairman)	Ruby Sayed
Gail Le Coz (Deputy Chairman)	Naresh Hari Sonpar
Deputy Christopher Boden	James St John Davis (Ex-Officio Member)
Deputy Timothy Butcher	Dan Worsley
Simon Burrows	Alderman Kawsar Zaman
Stephen Hodgson	

**Enquiries:** Molly Carvill  
molly.carvill@cityoflondon.gov.uk

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**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 15 September 2025.

**For Decision**  
(Pages 5 - 14)

4. **OUTSTANDING ACTIONS OF THE COMMITTEE**

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

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

5. **COMMITTEE WORK PROGRAMME**

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

**For Information**  
(Pages 17 - 28)

6. **COUNTER FRAUD & INVESTIGATIONS MID-YEAR REPORT 2024/25**

Report of the Group Chief Internal Auditor.

**For Information**  
(Pages 29 - 38)

7. **RISK MANAGEMENT UPDATE**

Report of the Chief Strategy Officer.

**For Information**

8. **INTERNAL AUDIT UPDATE**

Report of the Group Chief Internal Auditor.

**For Information**  
(Pages 63 - 90)

9. **CITY'S ESTATE FINANCIAL STATEMENTS**

(To follow)

**For Decision**

10. **CITY'S ESTATE TRUST FUNDS AND SUNDRY TRUST FUNDS ANNUAL REPORTS AND FINANCIAL STATEMENTS**

(To follow)

**For Decision**

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

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

13. **EXCLUSION OF THE PUBLIC**

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

**For Decision**

**Part 2 - Non-Public Agenda**

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

To agree the non-public minutes of the previous meeting held on 15 September 2025.

**For Decision**  
(Pages 91 - 94)

15. **RISK MANAGEMENT UPDATE (NON-PUBLIC APPENDIX)**

Non-Public Appendix to be received in conjunction with Item 7.

**For Information**  
(Pages 95 - 98)

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

17. **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, 15 September 2025**

Minutes of the meeting of the Audit and Risk Management Committee held at Guildhall, EC2 on Monday, 15 September 2025 at 11.00 am

### **Present**

#### **Members:**

Alderman Elizabeth Anne King, BEM JP (Deputy Chairman)  
Gail Le Coz (Deputy Chairman)  
Simon Burrows  
Stephen Hodgson  
Ruby Sayed  
Naresh Hari Sonpar

#### **Officers:**

Caroline Al-Beyerty	- Chamberlain's Department
Matthew Lock	- Chamberlain's Department
Dionne Corradine	- Town Clerk's Department
Tabitha Swann	- Town Clerk's Department
Olivia Plunkett	- Town Clerk's Department
Sonia Virdee	- Chamberlain's Department
Iain Jenkins	- Chamberlain's Department
Daniel Peattie	- Chamberlain's Department
Ben Dunleavy	- Town Clerk's Department
Molly Carvill	- Town Clerk's Department

#### **Also in attendance:**

Sophia Brown	- Grant Thornton
Grant Patterson	- Grant Thornton

### **1. APOLOGIES**

Apologies for absence were received from Alderman Prem Goyal, Alderman Kawsar Zaman, David Sales and Dan Worsley. James St John Davis and Deputy Timothy Butcher were observing 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**

**RESOLVED** – That, the draft public minutes and summary of the meeting held on 14 July 2025 be approved as a correct record subject to the following amendments:

## Matters arising

- Item 6: the Audit and Risk Management Annual Report 24-25. The Committee had requested that future reports should include information on the full-time resourcing levels.
- Item 7: Internal Audit Update. The Committee had requested an update on the second line of defence and the escalation process for audit actions not completed within three months.
- Item 9: the counter fraud and investigations annual report 2024/25. Whistleblowing process should be shared with residential ward members.

The Head of Internal Audit provided an update on the two points relating to internal audit. Firstly, he addressed recommendation tracking and tracking open issues where timely implementation had not been secured and informed Members that he had spoken to peers to see how they reported similar levels of information. He explained the challenge of attempting to include the right level of detail and proposed to create a report template which would include a one-page summary per audit, providing an overview of recommendations, implementation status and a summary comment. The summaries would also be bundled and included as part of the Quarterly Report.

The Head of Internal Audit moved on to the next action, creating a subset of the Internal Audit Plan. He explained that currently, follow-up reviews are dealt with when they are due but proposed that they should be integrated into the internal audit plan to adopt a formal process and improve engagement and tracking.

The Chair sought clarification regarding the follow-up process for incomplete audit actions. The Head of Internal Audit responded and suggested to include the proposed summary report templates and a cover sheet with each audit summary report which would be used to suggest possible actions for the committee or seek direction on unresolved issues. He also recommended that the summaries could be circulated to the relevant service committee chairs to enhance visibility and encourage feedback.

A Member highlighted the importance of improving the visibility of audit findings and funding matters to relevant service committees. They emphasised that without clear visibility, the work of the internal audit team would have less impact, and the oversight could be weakened. In response, the Head of Internal Audit proposed circulating final audit reports to the Chair and Deputy Chair of the relevant service committees at the same time that they are issued to Chief Officers as this would help ensure key stakeholders are informed and are able to respond appropriately. Alternatively, another Member suggested that this circulation should extend to all committee members, as every member should be aware of the audit findings. The Chamberlain suggested that findings relating to physical controls or value for money should be incorporated by the Finance Business Partner into the regular reports to service committees. This would ensure that committee members are aware of the risks they are managing and the timeframes for implementation. She requested that the Finance Business Partner explore this approach with the Finance Leadership

Group to ensure that audit points are picked up and reflected in committee reporting. This approach was welcomed by the Member who had made the original request.

The Head of Internal Audit moved on and provided an update on the second line of defence, explaining that work was ongoing and was being informed by live projects. He planned to issue a report to the Town Clerk's senior leadership team and present it at one of their meetings. The findings would be incorporated into his annual report, which will include conclusions on systemic and operational issues affecting the effectiveness of the second line of defence. The Chair welcomed this and expressed interest in seeing the conclusions once they were available.

4. **OUTSTANDING ACTIONS OF THE COMMITTEE**

Members received the Committee's list of outstanding actions.

The Town Clerk provided an update on the remaining action regarding the recruitment of an external Member. Three applications had been received from the advert, and interviews for all three candidates were scheduled for October.

A Member raised a concern that the original intent of the action – reviewing the induction process for new Members – was at risk of getting lost. Clarification was sought on whether this referred to induction for the Audit and Risk Management Committee or the wider Court of Common Council. The Town Clerk confirmed that the wider induction process was being reviewed by the Member Development and Standards Sub-Committee following the 2025 elections.

Further discussion clarified that the original action had three components: induction for all Members of the Court of Common Council, induction specific to Audit and Risk Management responsibilities, and induction for external Members of the Audit and Risk Management Committee. The Chief Strategy Officer confirmed that these elements are being addressed through various governance channels, and that outputs from the review would be publicly available. She offered to report back with a timeline and signpost relevant papers to ensure that Members remained informed.

**RESOLVED** – That, Members received the action tracker and noted its content.

5. **COMMITTEE WORK PROGRAMME**

Members received the Committee's work programme.

The Head of Internal Audit said that the proposed 2026 meetings in the programme were difficult to align with Internal Audit operational activity. He proposed reviewing the meeting schedule to better align with operational cycles.

**RESOLVED** – That, the report be noted.

## 6. **RISK MANAGEMENT UPDATE**

Members received a report of the Chief Strategy Officer, who described the status of the risk management work as continuously evolving. It was highlighted that service committees are setting risk appetite against corporate risks. The key updates were as follows:

- Corporate Risks CR2 and CR10: Following discussion, it was determined that these risks should remain separate. CR2 (Loss of Business Support) is being reframed to better reflect the Corporation's strategic concerns and will be reviewed at the next Chief Officer Risk Management Group (CORMG) meeting in October.
- CR33 (Major Projects) and CR29 (Information Management): These risks were going to be revised with the Chamberlain to ensure that they are reframed as risks rather than issues.
- CR39 (Recruitment and Retention): This risk was considered outdated and work has been underway with HR to assess whether any people-related risks should be elevated to corporate level. An invitation had been extended to the interim Chief People Officer to attend the next committee meeting to discuss this further.
- Likelihood and impact: Following questions raised at call over, the team had analysed the 13 corporate risks, and it was found that 12 aim to reduce their scores: 8 by lowering likelihood, 3 by reducing impact, and 1 by addressing both. Only CR36 (Protective Security) is not aiming to reduce its score but is actively managed.
- Mitigation Themes and Timeframes: Common mitigation themes included funding, resourcing, stakeholder engagement, strategic planning, and emergency preparedness, with timeframes ranging from six months to long-term targets in 2027 and 2029. Three risks (CR29, CR33, CR39) were overdue but are undergoing revision.
- Data Protection and GDPR: Clarification was provided on GDPR-related risks, which were split between CR16 (external breaches) and CR29 (internal data handling) to reflect the different aspects of data protection.

The Chair thanked the team for their work and asked the team to ensure that the reconsideration of CR29 is clearly included in the risk description, so that Members and others do not have any confusion at a later stage.

### **RESOLVED** - That,

- Members are content to invite the interim head of HR to the next Risk Management committee meeting.
- Members received the report and noted its content.



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

There were no questions raised.

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

Apart from the City Fund and Pension Fund Accounts circulated as a late item, no other business was raised.

8.1 **City Fund and Pension Fund - Statement of Accounts, Audit Findings and external auditor's Annual Audit Report 2024-25**

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

The Town Clerk noted that late papers had been circulated at the end of the previous week, including the City Fund and Pension Fund financial statements under Item 8A. With Members' agreement, the Chair opted to take this item ahead of the Risk Management Update. The Chair acknowledged her appreciation to officers and external auditors but expressed her concern that Members had only received papers late on Friday before a Monday morning meeting; this left Members with limited time to digest and review the information. She requested that future papers be circulated earlier to allow proper consideration. The Financial Services Director explained that the delay was due to efforts to include the most up-to-date information and auditor feedback, noting that the statutory deadline for publishing the final accounts is 30 September. She agreed to work with the Town Clerk to explore moving future September committee meetings to later in the month to better accommodate this timetable.

The Chamberlain and the external auditors took the Committee through the highlights in the Statement of Accounts. The highlights included:

- Out of the 13 audit recommendations from previous years, five remained outstanding and were being addressed in the 2025/26 accounts.
- Out of the 25 improvement recommendations from the auditor's findings report, 16 have been addressed and four superseded. Attention was drawn to a key recommendation on page 34 of Appendix 5 regarding HRA pressures and reserves.
- On related party disclosures, she noted that 43 remain outstanding, including 18 from ex-Members which had been progressed through the Chamberlain, and if they remained unresolved within a week, the issue may be brought to the Committee for further escalation.

An officer from the Chamberlain's Department presented the key changes in the updated accounts, directing Members to Appendix 1 (updated statement of accounts) and Appendix 2 (audit findings report). He highlighted that three material adjustments had been made since the draft accounts were presented in July:

- City Fund's Net Pension Liability – The City Fund did not apply the accounting standard IFRIC 14. The Local Government Pension Scheme (LGPS) was in surplus for the first time in recent memory, but an asset ceiling needed to be applied, limiting the recognition of the surplus. This oversight led to a material adjustment in the accounts; the net pension liability increased by £90 million and a corresponding adjustment was made to the remeasurement of the net pension liability.
- Reclassification of Rents in Advance – A £1.3 million reclassification between long-term and short-term rents in advance, affecting the presentation on the balance sheet.
- Assets Under Construction – A correction to the classification of £19.2 million previously listed under property, plant, and equipment. This amount comprised £13 million of investment properties and £6.2 million of intangible assets, requiring reclassification. A prior period adjustment will also be made in consultation with Grant Thornton.

The Officer clarified that none of the adjustments effected the general fund balance. He added that discussions had taken place with Grant Thornton to arrange additional training for the finance team to prevent similar issues in future. The External Auditor (Grant Thornton) and the Chamberlain reassured Members that the City Corporation remains on track with its six-year recovery plan for the pensions deficit.

The External Auditor for the City Fund audit noted that work was nearing completion and summarised the findings from the audit. Recommendations included the approval of journals under 100k and the prompt removal of people who had left the City Corporation from the Oracle system. The audit team noted that they had two weeks to close the audit and proposed to work with the finance team after the committee meeting to close the remaining items. It was noted that there were no additional significant issues anticipated from finalising and closing the audit, but the External Auditor reassured Members that if additional findings were found, they would be reported and flagged.

The Deputy Chair queried the timeline for progressing the HRA programme. The Chamberlain confirmed that funding plans for improvement works were due to return to the Finance Committee and the Policy and Resources Committee in October. It was highlighted that the financial health of the HRA remained critical, with reserves in a fragile state and a 10-year recovery plan was put in place, aligned with a 30-year asset management strategy. The Chamberlain reassured Members that work was on-going, with close budget monitoring and potential engagement with Government for additional flexibility.

A Member highlighted the importance of cross-committee collaboration, noting that housing issues, though financial in nature, had direct implications for health and social care, particularly for City residents. They asked how Members would be kept informed to ensure coordinated oversight. The Chamberlain agreed that housing issues were a key consideration and confirmed that officer-level

coordination was on-going, particularly with Adult Social Care, to ensure legislative requirements (e.g. housing standards, black mould) were met. It was also highlighted that the relevant committees will receive the financial plans for scrutiny.

A discussion took place regarding former staff access to the Oracle system, prompted by the audit findings. The Chair raised concerns regarding the delays in removing access for leavers and the potential risks that this posed, such as if a disgruntled former employee retained access to financial systems. The Head of Internal Audit explained that account closures involved multiple teams but committed to make further inquiries to clarify responsibilities. He noted that if a user's network account was correctly closed, retaining access to the Oracle system was unlikely and suggested that the issue was about ensuring consistent housekeeping rather than a systemic control weakness. The Head of Finance further clarified that the upcoming implementation of the new SAP system would help streamline the process of deactivating user access across systems.

A Member sought clarification from Grant Thornton on Improvement Recommendation 2 and questioned whether Members were receiving City Fund performance information effectively. The auditor explained that the recommendation aimed to streamline reporting by focusing on key performance indicators to avoid information overload and highlight relevant metrics.

The External Auditor (Grant Thornton) provided an overview on the Auditors Annual Report for Members.

The External Auditor (Grant Thornton) provided an overview of the Pension Fund audit and reported that it had gone well.

The Chair queried whether the new SAP system would also assist with the entries under 100k for the Pension Fund, and the Head of Finance confirmed that it would. The Chair also referred to the internal audit of the Pension Fund and asked whether internal audit work was included in the new audit cycle. The Head of Internal Audit confirmed that it was included in the internal audit plan and revealed that scoping work had already begun.

The Chair went on to question why the assurance rating for effective controls was amber rather than green, specifically regarding complaints monitoring data. The Chamberlain suggested reviewing the management response to ensure that it provides sufficient assurance and reflects the Corporation's commitment to addressing the issue.

**RESOLVED** – That,

- Members consent to agree to the recommendation approval of the 2024/25 Statement of Accounts for both the City Fund and the Pension Fund to the Finance Committee.

- Members consent to agree to the amendment to the substantive recommendation report and agree to change the wording to: delegate authority to the Chamberlain, in consultation with the Chairman and Deputy Chairman and wider membership of the Audit and Risk Management Committee in a period of 24 hours, to approve of any material changes to the financial statements required before the signing of the audit opinion by Grant Thornton, which is expected by 30<sup>th</sup> September 2025.
- Members considered the audit findings report for the City Fund and Pension Fund 2024/25 and noted its content.
- Members consent to approve the management representation letter for the City Fund and the management representation letter for the Pension Fund.
- Members received the Auditors' Annual Audit Report 2024/25 and noted its content.

9. **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.

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

**RESOLVED** - That, the non-public minutes of the previous meeting held on 14 July 2025 be approved as an accurate record, as amended.

11. **NON-PUBLIC APPENDIX**

Members received a report from the Chief Strategy Officer providing an update on the non-public appendix for Risk Management.

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

There were no questions raised.

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

No other urgent business was raised.

13.1 **City Fund and City's Estate auditor procurement process**

Members received a report from the Chamberlain providing an update on the External Auditor Appointment – City Fund and City's Estate paper.

**The meeting ended at 12.36 pm**

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Chairman

**Contact Officer: Molly Carvill**  
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Title	Action Description	Priority	Status	Action Update	Assigned to	Date reported	Estimated Completion
Recruitment of external Member	Select a successful candidate	Normal	In progress	<p><b>July 2025</b> - Advert due to close by 18th July with interviews to take place at the end of July and or, August.</p> <p><b>August 2025</b> – Applications have been received and are currently under review by the Chair and Deputy Chairs.</p> <p><b>September 2025</b> – All three candidates have been contacted and invited to an interview taking place in October.</p> <p><b>October 2025</b> – All three interviews took place. More information in non-public section.</p>	Carvill, Molly		November 2025

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<b>Committee(s):</b> Audit and Risk Management Committee – For Information	<b>Dated:</b> 17/11/2025
<b>Subject:</b> Audit and Risk Management Committee Annual Work Programme	<b>Public</b>
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>N</b>
<b>If so, how much?</b>	<b>£n/a</b>
<b>What is the source of Funding?</b>	<b>n/a</b>
<b>Has this Funding Source been agreed with the Chamberlain’s Department?</b>	<b>n/a</b>
<b>Report of:</b> Chamberlain	<b>For Information</b>
<b>Report author:</b> Matt Lock – Group Chief Internal Auditor	

## Summary

While it is not possible to align the meeting schedule for 2026 with the cycle of business, some moderate adjustments to meeting dates can be made to better support this. Meeting dates and the timing of certain items of business will be arranged for 2027 and beyond to ensure a more efficient and effective schedule of activity.

## Recommendation(s)

Members are asked to note the report, the suggested amendments to proposed Committee dates for 2026 and the revised schedule of meetings for 2027 and beyond.

## Main Report

### Background

1. Following discussion at the September meeting concerning the alignment of Committee meeting dates with the cycle of business, officers were empowered to review the proposed meeting dates for 2026 and identify a more suitable schedule. Officers have worked collaboratively to take this forward.

### Current Position

2. Current proposed dates for the Audit and Risk Management Committee meetings in 2026 are:
  - 12 January 2026
  - 16 March 2026
  - 11 May 2026
  - 6 July 2026
  - 14 September 2026
  - 2 November 2026
3. The meetings in January and July fall far too close to the quarter end date, with report deadlines before the period ends, this does not allow time for data analysis

and report preparation for Q3 and Q1 updates respectively. The September meeting falls late for a Q1 update, yet too early for Q2. The March Committee, particularly only 2 weeks before year end, is too late to enable effective oversight in relation to Q3 work.

4. A more optimum schedule of business would be as follows (linking this to the municipal year), Members should note that this comprises 5 meetings rather than the existing 6:
  - Mid to late May
  - Mid to late July
  - Late September (ideally final week)
  - Mid to late November
  - Mid to late February
5. Options were considered for adopting this schedule for from January 2026, although this was not possible owing to a key item of business, Terms of Reference Review, that must be completed in time for onward reporting to Policy and Resources Committee.
6. Nonetheless, it is possible to look to move some of the existing meeting dates later in the scheduled months which Officers believe will help mitigate the likelihood of late report submission, particularly in relation to the Financial Statements.
7. The full work programme showing the planned items of business and their purpose is included as appendix 1 (existing dates).

### **Corporate & Strategic Implications**

8. The Financial Statements are also reported to Finance Committee after consideration at Audit and Risk Management Committee and so Finance Committee dates in September and November may also need to be reviewed.

### **Conclusion**

9. Members should note the proposed meeting cycle for 2026/27, aligning this to the operational cycle of business. It is not possible to optimise the schedule of meetings for the early part of 2026 as there is an essential item of business that must be considered in January.

### **Appendices**

- Appendix 1 – Audit and Risk Management Committee Work Programme

### **Matt Lock**

Group Chief Internal Auditor

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## Audit and Risk Management Committee - Indicative Work Programme (Linked to CIPFA Audit Committees Position Statement 2022)

12 January 2026	
Work Item	Link to CIPFA Position Statement
<b>Terms of Reference of the Committee</b> (information) Annual review of the Terms of Reference of the Committee, giving due regard to relevant legislation and professional guidance.	Consider the arrangements in place to secure adequate assurance across the body's full range of operations and collaborations with other entities.
<b>Internal Audit Charter</b> (information) Report of the Group Chief Internal Auditor, setting out the Internal Audit Charter. The Public Sector Internal Audit Standards require an annual review of the Charter.	In relation to the authority's internal audit functions: <ul style="list-style-type: none"> <li>▪ <b>oversee its independence, objectivity, performance and conformance to professional standards</b></li> <li>▪ <b>support effective arrangements for internal audit</b></li> <li>▪ <b>promote the effective use of internal audit within the assurance framework.</b></li> </ul>
<b>Risk Management Update</b> (information)	Consider the effectiveness of the authority's risk management arrangements. <b>It should understand the risk profile of the organisation and seek assurances that active arrangements are in place on risk-related issues, for both the body and its collaborative arrangements.</b>

## Audit and Risk Management Committee - Indicative Work Programme (Linked to CIPFA Audit Committees Position Statement 2022)

16 March 2026	
Work Item	Link to CIPFA Position Statement
<b>Internal Audit Update Report</b> (information) Regular (quarterly) update from the Group Chief Internal Auditor, covering: <ul style="list-style-type: none"> <li>▪ key findings from work completed during the period since the last Committee update (including recommendation follow-up)</li> <li>▪ status update for work in progress</li> <li>▪ intended programme of work for the period up to the next Committee update</li> </ul>	In relation to the authority's internal audit functions: <ul style="list-style-type: none"> <li>▪ <b>oversee its independence, objectivity, performance</b> and conformance to professional standards</li> <li>▪ <b>support effective arrangements for internal audit</b></li> <li>▪ <b>promote the effective use of internal audit within the assurance framework.</b></li> </ul>
<b>Risk Management Update</b> (information)	Consider the effectiveness of the authority's risk management arrangements. <b>It should understand the risk profile of the organisation and seek assurances that active arrangements are in place on risk-related issues, for both the body and its collaborative arrangements.</b>

## Audit and Risk Management Committee - Indicative Work Programme (Linked to CIPFA Audit Committees Position Statement 2022)

11 May 2026	
Work Item	Link to CIPFA Position Statement
<b>Internal Audit Update Report</b> (information) Regular (quarterly) update from the Group Chief Internal Auditor, covering: <ul style="list-style-type: none"> <li>▪ key findings from work completed during the period since the last Committee update (including recommendation follow-up)</li> <li>▪ status update for work in progress</li> <li>▪ intended programme of work for the period up to the next Committee update</li> </ul>	In relation to the authority's internal audit functions: <ul style="list-style-type: none"> <li>▪ <b>oversee its independence, objectivity, performance</b> and conformance to professional standards</li> <li>▪ <b>support effective arrangements for internal audit</b></li> <li>▪ <b>promote the effective use of internal audit within the assurance framework.</b></li> </ul>
<b>Risk Management Update</b> (information) Annexes included: <ul style="list-style-type: none"> <li>• Full Corporate Risk Register (first meeting of new municipal year)</li> <li>• Summary report of corporate risks</li> <li>• Summary report of red departmental risks</li> </ul>	Consider the effectiveness of the authority's risk management arrangements. <b>It should understand the risk profile of the organisation and seek assurances that active arrangements are in place on risk-related issues, for both the body and its collaborative arrangements.</b>
<b>Risk Appetite Update</b>	Consider the effectiveness of the authority's risk management arrangements. <b>It should understand the risk profile of the organisation and seek assurances that active arrangements are in place on risk-related issues, for both the body and its collaborative arrangements.</b>

## Audit and Risk Management Committee - Indicative Work Programme (Linked to CIPFA Audit Committees Position Statement 2022)

<b>Group Chief Internal Auditor Annual Opinion</b> (information) Annual report of the Group Chief Internal Auditor providing an overall opinion on the adequacy and effectiveness of the Internal Control Environment, Risk Management and Governance arrangements, as required by the Public Sector Internal Audit Standards.	Monitor the effectiveness of the system of internal control, including arrangements for financial management, ensuring value for money, supporting standards and ethics and managing the authority's exposure to the risks of fraud and corruption.
<b>Draft Annual Governance Statement</b> (decision) In accordance with the Accounts and Audit Regulations (2015), the Committee should review and feed into the Annual Governance Statement. Note that this is a requirement only for City Fund activity.	Support a comprehensive understanding of governance across the organisation and among all those charged with governance, fulfilling the principles of good governance.

6 July 2026	
Work Item	Link to CIPFA Position Statement
<b>Annual Report of the Committee</b> (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.	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.
<b>Risk Management Strategy</b> (Information) Annual update on the Risk Management Strategy	Consider the effectiveness of the authority's risk management arrangements. <b>It should understand the risk profile of the organisation and seek assurances that active arrangements are in place on risk-related issues, for both the body and its collaborative arrangements.</b>

## Audit and Risk Management Committee - Indicative Work Programme (Linked to CIPFA Audit Committees Position Statement 2022)

<b>Risk Management Update</b> (information) Annexes included: <ul style="list-style-type: none"> <li>Corporate Risk register above appetite</li> <li>Summary report of corporate risks</li> <li>Summary report of red departmental risks</li> </ul>	Consider the effectiveness of the authority's risk management arrangements. <b>It should understand the risk profile of the organisation and seek assurances that active arrangements are in place on risk-related issues, for both the body and its collaborative arrangements.</b>
<b>Counter Fraud and Investigations 12 Month Report</b> (information) Report summarising the outcomes from Counter Fraud and Investigation activity for the 12 months from April to March.	Monitor the effectiveness of the system of internal control, including arrangements for financial management, ensuring value for money, supporting standards and ethics and <b>managing the authority's exposure to the risks of fraud and corruption.</b>
<b>City Fund and Pension Fund Draft Statement of Accounts</b>	Support the maintenance of effective arrangements for financial reporting and review the statutory statements of account and any reports that accompany them.

14 September 2026

Work Item	Link to CIPFA Position Statement
<b>Internal Audit Update Report</b> (information) Regular (quarterly) update from the Group Chief Internal Auditor, covering: <ul style="list-style-type: none"> <li>key findings from work completed during the period since the last Committee update (including recommendation follow-up)</li> <li>status update for work in progress</li> </ul> intended programme of work for the period up to the next Committee update	In relation to the authority's internal audit functions: <ul style="list-style-type: none"> <li><b>oversee its independence, objectivity, performance</b> and conformance to professional standards</li> <li><b>support effective arrangements for internal audit</b></li> <li><b>promote the effective use of internal audit within the assurance framework.</b></li> </ul>
<b>Risk Management Update</b> (information)	Consider the effectiveness of the authority's risk management arrangements. <b>It should understand the risk profile of the organisation</b>

**Audit and Risk Management Committee** - Indicative Work Programme (Linked to CIPFA Audit Committees Position Statement 2022)

	<b>and seek assurances that active arrangements are in place on risk-related issues, for both the body and its collaborative arrangements.</b>
<b>City Fund and Pension Fund – Statement of Accounts, Audit Findings and external auditor’s Annual Audit Report</b> (decision) Annual review of the Financial Statements for City Fund	<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 - Indicative Work Programme (Linked to CIPFA Audit Committees Position Statement 2022)

02 November 2026	
Work Item	Link to CIPFA Position Statement
<b>Internal Audit Update Report</b> (information) Regular (quarterly) update from the Group Chief Internal Auditor, covering: <ul style="list-style-type: none"> <li>▪ key findings from work completed during the period since the last Committee update (including recommendation follow-up)</li> <li>▪ status update for work in progress</li> <li>▪ intended programme of work for the period up to the next Committee update</li> </ul>	In relation to the authority's internal audit functions: <ul style="list-style-type: none"> <li>▪ <b>oversee its independence, objectivity, performance</b> and conformance to professional standards</li> <li>▪ <b>support effective arrangements for internal audit</b></li> <li>▪ <b>promote the effective use of internal audit within the assurance framework.</b></li> </ul>
<b>Risk Management Update</b> (information)	Consider the effectiveness of the authority's risk management arrangements. <b>It should understand the risk profile of the organisation and seek assurances that active arrangements are in place on risk-related issues, for both the body and its collaborative arrangements.</b>
<b>Counter Fraud and Investigations 6 Month Report</b> (information) Report summarising the outcomes from Counter Fraud and Investigation activity for the 6 months from April to September.	Monitor the effectiveness of the system of internal control, including arrangements for financial management, ensuring value for money, supporting standards and ethics and <b>managing the authority's exposure to the risks of fraud and corruption.</b>

## Audit and Risk Management Committee - Indicative Work Programme (Linked to CIPFA Audit Committees Position Statement 2022)

<p><b>Draft City's Estate and Charities Accounts</b> (decision) Annual review of the Financial Statements for City's Estate</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>
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Additional Items to consider at the appropriate time in the Committee Calendar	
Work Item	Link to CIPFA Position Statement
<p><b>Draft Bridge House Estates Accounts</b> (decision) Annual Review of the Financial Statements for the Bridge House Estates.</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>

**Audit and Risk Management Committee** - Indicative Work Programme (Linked to CIPFA Audit Committees Position Statement 2022)

	<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>
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## City of London Corporation Committee Report

<b>Committee(s):</b> Audit & Risk Management Committee – For Information	<b>Dated:</b> 17/11/2025
<b>Subject:</b> Counter Fraud & Investigations Mid-Year Report 2024/25	<b>Public report:</b> N/A
<b>This proposal:</b> <ul style="list-style-type: none"> <li>• <b>delivers Corporate Plan 2024-29 outcomes</b></li> <li>• <b>provides statutory duties</b></li> </ul>	Corporate Plan: Provide a Vibrant Thriving Destination  Statutory Duties – 151 Officer: securing a proper control environment including an effective internal audit function to minimise the risk of financial loss, the inefficient use of resources and the potential for fraud
<b>Does this proposal require extra revenue and/or capital spending?</b>	No
<b>If so, how much?</b>	£ N/A
<b>What is the source of Funding?</b>	N/A
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	N/A
<b>Report of:</b>	Matt Lock, Group Chief Internal Auditor
<b>Report author:</b>	Chris Keesing, Counter Fraud & Investigations Manager

### Summary

A significant focus for the Counter Fraud Team during the first half of this reporting year has been on responding to the introduction of failure to prevent fraud legislation through the delivery of fraud risk workshops across City Corporation departments; delivery of fraud risk workshops continues throughout the reporting year.

Key objectives delivered during this period include the launch of the new Speak Up policy, procedure and portal, and the launch of a new fraud awareness eLearning course on the City's learning platform.

Positive results from our investigation activity in the first six months of 2025/26 has resulted in the identification of £511,278 in identified fraud, including £196,000 recovered from a single successful case.

### **Recommendation(s)**

- Members are asked to note the report.

### **Main Report**

#### **Background**

2. This report provides Members with an update on the activity of the Anti-Fraud and Investigation team during the first half of the 2025/26 reporting year. It also provides Members with an update against key anti-fraud objectives and activities to assist in the prevention, detection of fraud and responding to new and/or emerging fraud risks.

#### **Counter Fraud Team Activity & Investigation Summary**

3. In a move away from how we've traditionally updated this Committee on the work of the Counter Fraud Team, we have provided our mid-year update as a standalone document that can be found at Appendix 1 to this report; this report provides an overview of our activity, key deliverables, workstreams and outcomes.
4. Members will note that the team has had significant focus on the delivery of fraud risk workshops in response to Failure to Prevent Fraud legislation which became law on 01 September 2025; to date 12 fraud risk workshops have been delivered across City Corporation departments, 8 within the 6 months covered by this report, with more scheduled for the coming months.
5. The launch of the Speak Up Policy, Procedure and Portal is a key milestone and strengthens our mechanisms for staff to raise concerns where fraud, bad practice, misappropriation and wrongdoing is identified or suspected.
6. A new interactive fraud awareness eLearning course compliments the delivery of the fraud risk workshops and provides anti-fraud training and awareness of the key fraud risks facing the City Corporation to all staff through immersive learning.
7. Investigation activity across all disciplines has been positive with 40 referrals raised, £511,278 in identified fraud values, and £196,000 recovered from a single successful case.
8. The graphics below summarise our 2025/26 year to date investigation activity.

#### **Investigation Cases Volume - Summary 2025/26 YTD**



### Detected Fraud Values - All Cases 2025/26 YTD



### Corporate & Strategic Implications

9. The work of the Team is designed around providing the knowledge, and skills, to staff in key fraud risk areas across the City Corporation, ensuring that they have the confidence and ability to identify fraud risks, and take appropriate action to manage the risks of fraud effectively. The team remain focused on taking a robust response where fraud is identified, and on preventing and detecting fraud risks across the organisation, safeguarding the City Corporation's assets, and recovering any losses due to fraud; this is underpinned by our Anti-Fraud & Corruption Strategy and Proactive Counter Fraud activity.

### Conclusion

10. The team continues to perform strongly and is facilitating an effective response to the new Failure to Prevent Fraud legislation by delivering a series of fraud risk workshops.
11. A new, immersive, fraud awareness eLearning package has recently been launched and strengthens our counter fraud toolkit.
12. Our investigation response remains robust and effective, demonstrated through a series of positive outcomes, including the recovery of £196,000, and the identification of fraud valued notionally at £315,278.

### Appendices:

- **Appendix 1 – Counter Fraud & Investigations 2025/26 mid-year update**

### Contact:

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## **Appendix 1 – Counter Fraud & Investigations 2025/26 mid-year update**

### **2025/26 reporting year**

During the 2025/26 reporting year the Counter Fraud & Investigations team's key focus is on the following areas:

- Responding effectively to the new Failure to Prevent Fraud legislation, introduced under the Economic Crime & Corporate Transparency Act 2023.
- Delivery of fraud risk workshops.
- The launch of a new, immersive, fraud awareness eLearning and the delivery of face-to-face fraud awareness training.
- Matching of social housing data against credit reference agency data to identify fraud and misappropriation.
- Supporting the ongoing development of the London NFI Fraud Hub and making best use of the Fraud Hubs technology to detect and prevent fraud.
- Delivery of the Speak Up Policy, Procedure & Portal
- Launching the revised Anti-Fraud & Corruption Strategy
- Ensuring the timely conclusion of all investigations undertaken by the team and achieving positive outcomes.

Delivery against these key milestones is summarised below.

### **Failure to Prevent Fraud legislation, introduced under the Economic Crime & Corporate Transparency Act 2023**

On 01 September 2025, the Economic Crime & Corporate Transparency Act 2023 (ECCTA) Introduced an offence of failure to prevent fraud. This offence applies to specific offences such as false accounting, fraud and obtaining services dishonestly, and is applicable to 'large organisations', broadly falling within the following criteria:

1. Employing more than an average of 250 employees
2. Having more than £36 million turnover
3. Holding more than £18 million in assets in its balance sheet

Under ECCTA criminal liability under failure to prevent legislation broadly rests with senior managers of an organisation as a person who plays a significant role in:

- the making of decisions about how the whole or a substantial part of the activities of the organisation are to be managed or organised; or
- the actual managing or organising of the whole or a substantial part of those activities.

For the City of London Corporation, senior officers under the Future Ambition 18 initiative, should be broadly considered as a senior manager in scope under ECCTA.

## **Fraud Risk Workshops**

Whilst workshop planning and began during the 2024/25 reporting year in response to the failure to prevent fraud legislation, the team has significantly increased its focus in this area over the past six months, and has been focused on engaging with senior officers and those in scope under the legislation to seek to ensure that risks are effectively communicated, and that reasonable and adequate responses are in place across the organisation to respond to this new legislation.

For the year to date, eight fraud risk workshops have been delivered to the following teams.

<b>Month</b>	<b>Team</b>
April 2025	City of London School (as part of whole school INSET Day)
April 2025	Temporary Accommodation & Homelessness
June 2025	Transactional Finance (Accounts Payable)
June 2025	Transactional Finance (Housing Benefits & Council Tax)
August 2025	Chamberlain's Business Support & Chamberlain's Court
September 2025	City Surveyors Senior Leadership Team
October 2025	Environment Assistant Directors
October 2025	City Surveyors – Investment Property Group

These workshops are intended to result in the development of local fraud risk universe registers, maintained and reviewed locally by management.

Following engagement with the Corporate Strategy and Performance Team we have agreed and communicated through these workshops that only those fraud risks that need to be managed down should be recorded on the corporate risk system, Ideagen. The team will support and advise accordingly as appropriate.

Further fraud risk workshops are scheduled and planned throughout the second half of this reporting year, with the aim of producing a high-level organisational fraud risk assessment for the City Corporation, which will be presented to the Executive Leadership Board in due course; we will, likewise, present this, along with updates against the workshop program, to Members of this Committee as part of future Counter Fraud & Investigation update reports.

## **Fraud Awareness Training and Fraud Awareness eLearning**

To complement the work summarised above and provide additional skills to all colleagues, a new, replacement fraud awareness eLearning course has been developed and recently launched on SAP. This new fraud awareness eLearning package strengthens our counter fraud toolkit and delivers generalist fraud awareness training with a focus on the fraud risks faced by the City Corporation, using a mix of immersive technology, interactive exercises and multiple-choice questions to test the learner's knowledge.

In response to the identification of a skills gap, an in person training session was recently delivered to the City of London School and City of London School for Girls Finance Team covering Anti Money Laundering risks; this training, delivered by the team was agreed with the Head of Finance in response to the submission of a suspicious activity report (SAR) to the NCA. The training focused on the risks, red flags, responsibilities and processes in response to money laundering and suspicious payments, the proceeds of crime, and politically exposed persons, linking to the payment of school fees.

### **Speak Up Policy, Procedure & Portal**

The team, in collaboration with People & HR, launched the new Speak Up Policy and Procedure in September this year; this new toolkit replaces the old Whistleblowing Policy and enhances the City Corporation's response to providing effective mechanisms for staff to raise concerns, whilst providing a clear and structured roadmap to reporting suspected fraud, misappropriation and wrongdoing, ensuring that effective safeguards exist in line with the Public Interest & Disclosure Act for those concerns that satisfy the test for a protected disclosure.

The new Speak Up portal and case management system compliments this new approach to managing concerns at the City Corporation. We recognise that a potential barrier to staff speaking up has been a fear of reprisals and introducing the Speak Up Portal seeks to further mitigate this by providing staff with an electronic form that works across any device, and the ability to remain anonymous, whilst allowing investigators to maintain dialogue throughout the lifecycle of a concern, regardless of whether the concern was raised anonymously or not. This innovative functionality is expected to provide more confidence to staff that their concerns are treated seriously, by allowing for questions to be posed following receipt of an anonymous concern, and responses and additional information/evidence to be provided whilst retaining that anonymity.

In addition to the above, effective Speak Up arrangements are a key tool to supporting an effective response to Failure to Prevent Fraud legislation.

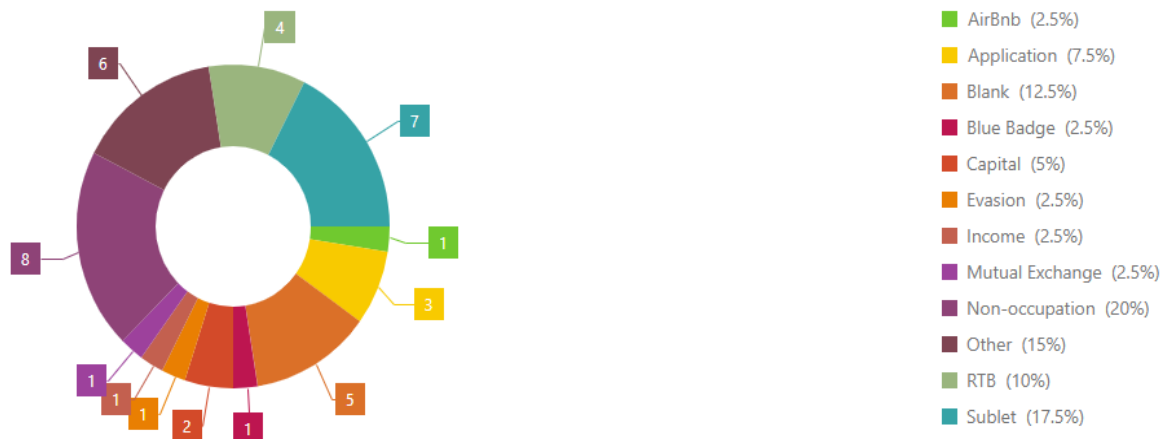
The volume of Speak Up concerns have been low during the first half of the 2025/26 reporting year, however this was anticipated as we transitioned to our new approach, with one case relating to grant funding by City Bridge Foundation (CBF), which remains subject to review by CBF management, with support provided as necessary by the team.

### **Investigation Activity**

The graph below provides a summary of the volume of investigations carried out by the Counter Fraud team during the first six months of the 2025/26 reporting year. A total of 40 cases have been raised by the team during this period, with social housing tenancy fraud remaining the biggest fraud type investigated by the team, with non-occupation (20%) investigations, and subletting (17.5%) investigations accounting for 15 cases alone. Other

notable cases include a small business rates relief fraud investigation and a dishonest right to buy fraud investigation, where intervention by the team resulted in the cancellation of a right to buy application and £136,000 discount award.

Count of Cases by Type

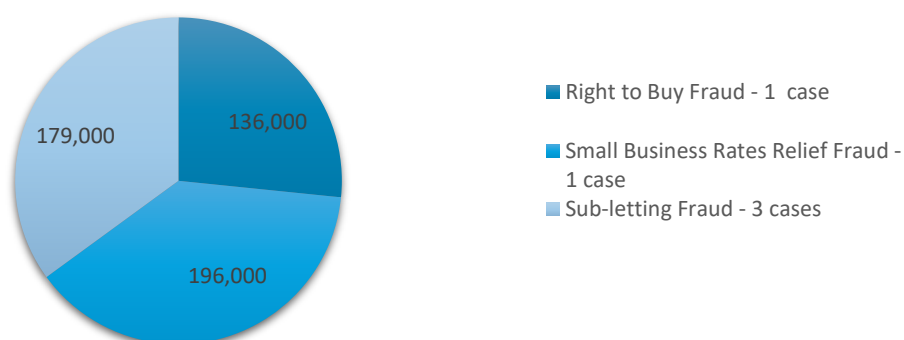


20 cases from the previous reporting year remain under investigation, and along with the 19 active cases still under investigation from this reporting year, as at 30 September 2025, the team's active investigation caseload amounts to 39 active fraud investigations.

The team has recovered £196,000 from a small business rates fraud investigation during this reporting year to date, whilst three tenancy related investigations have resulted in notional savings of £315,278. One further investigation has resulted in a housing application being declined, and another three investigations resulted in management actions.

The chart below summarises the cases where a value can be associated

Outcomes YTD 2025/26



## Social Housing Tenancy Fraud

### Credit Reference Agency Data Matching

The team has commenced a proactive exercise matching tenant data against credit reference agency data to identify potential fraud. The exercise has flagged 1,335 records where tenant data has matched against credit reference agency data and may require some intervention.

A summary of the output can be found in the table below.

Number of Cases	1,867	
Worklist	Frequency	Percent
01 - Very High Risk	14	0.7%
02 - High Risk	13	0.7%
03 - Medium Risk	60	3.2%
04 - Low Risk	472	25.3%
05 - Very Low Risk	645	34.5%
06 - Tenant is potentially deceased	6	0.3%
07 - Tenancy address not found	0	0.0%
08 - Tenancy address empty	33	1.8%
09 - Declared cohabiter(s) not found at address	68	3.6%
10 - Undeclared cohabiter is potentially an alias of the tenant	17	0.9%
11 - The supplied DoB differs to the one held by Experian	7	0.4%
NIL	532	28.5%

The team are focused on reviewing the 27 very high risk and high-risk matches; and within the first three weeks of working on these matches the team has successfully secured the recovery of one social housing property obtained by deception, where the tenant failed to declare home ownership.

### Full Tenancy Audit

A full tenancy audit consisting of in person visits to all City Corporation social housing tenants is commencing in the New Year; whilst the primary aims of the tenancy audit are housing management related, this activity is likely to identify social housing tenancy fraud concerns, and the team are working with the tenancy audit team to ensure that visiting officers have the skills to identify red flags and know how to respond and to report these for further investigation, to support this the team are currently developing a tenancy fraud and document fraud awareness training session for face to face delivery prior to commencement of the audit.

The team are also supplying additional tools, including access to the NFI AppCheck system that can assist by providing intelligence on household composition. Access to our electronic report a fraud form will be made available to the tenancy audit team, so that fraud concerns can be reported to the team in real time.

In addition to the above, the team will utilise the credit reference agency output data to support the audit by using intelligence to identify inspections where there may be a fraud risk, and where Counter Fraud team support and/or intervention may be needed during, and post, tenancy inspection.

### **London NFI Fraud Hub**

The team continue to utilise the London NFI Fraud Hub; the pilot conducted last year to identify multiple employment by matching permanent staff, and temporary worker data has now been adopted as a business-as-usual match and is repeated quarterly across all 30 members of the London NFI Fraud Hub. This matching was last undertaken in July and although four matches were returned for the City Corporation, following a detailed review, no concerns were identified and all four matches were closed, thereby, providing a degree of assurance that the City Corporation had no, or a very low, exposure to this risk at that point in time.

Two primary Fraud Hub initiatives for the second half of 2025/26 are both pilot projects; the first is the joining of regional fraud hubs to identify fraud across a wider geographical area, and the second relates to matching temporary accommodation (TA) data against credit reference agency data to identify links to residential addresses not previously declared that may suggest the existence of a dishonest application.

The team is committed to fully supporting both of these pilot exercises with the support of the front-line service teams.

## City of London Corporation Committee Report

<b>Committee(s):</b> Audit and Risk Management Committee – For Information	<b>Dated:</b> 17/11/2025
<b>Subject:</b> Risk Management Update	<b>Public report:</b> For Information
<b>This report supports the successful delivery of all six Corporate Plan outcomes and our statutory obligations through identifying and managing risks in line with our business objectives.</b>	Corporate Risk Management
<b>Does this proposal require extra revenue and/or capital spending?</b>	No
<b>If so, how much?</b>	N/A
<b>What is the source of Funding?</b>	N/A
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	N/A
<b>Report of:</b>	Dionne Corradine, Chief Strategy Officer
<b>Report author:</b>	Olivia Plunkett, Corporate Strategy Officer

### Summary

This report provides the Committee with an update on City of London Corporation's risk management, including the corporate and top red departmental risk registers, since last reported to the Committee in September 2025. Further details can be found in the appendices listed at the end of this report.

### Recommendation(s)

Members are asked to note:

- This report and the corporate and top red departmental risk registers summaries contained within this report and attached at Appendices 1 and 2 respectively.
- That since the previous update:
  - The number of corporate risks has decreased from 13 to 12 with two risks de-escalated to departmental level and one risk escalated from departmental level.<sup>1</sup>
  - The number of departmental red risks has decreased from 16 to 15, with one risk escalated to corporate level.<sup>2</sup>

<sup>1</sup> **Risks de-escalated:** CR39 Recruitment and Retention and CR29 Information Management. **Risk escalated:** CR42 Housing Revenue Account Financials (formerly CHB002).

<sup>2</sup> **Risk escalated to corporate level:** see above.

## Main Report

### Risk Activity – Process and Culture

1. Progress continues on implementing the updated risk appetite approach, with relevant service committees now beginning to define appetite levels for their respective corporate risks. As these are set, they will be included in the risk appetite annex. From January 2025 these assessments will be collated and analysed collectively in our risk management reporting to provide this Committee with a clear overview of our risk appetite landscape. Additional detail is provided in non-public Appendix 3.
2. Work to mature our corporate risk register and ensure it is aligned with our current context and objectives has been prioritised during this period. As part of this a number of corporate risks have been revised, de-escalated or created (see para 9 to 12). These changes seek to ensure we have more relevant mitigations and consider any cross-cutting themes (e.g. legal) and have greater strategic applications.
3. We continue to explore opportunities to strengthen and expand our risk management processes to enable more holistic discussions, taking into account range of risks and medium/long-term outcomes. This work is being advanced through engagement with colleagues, including the Risk Management Forum Working Group, to explore the potential application of a risk universe model.<sup>3</sup> In addition, we are supporting risk thinking connected to key enabling processes, such as business planning and the transition to multi-year plans. Our evolving reporting approach is designed to both drive and be shaped by this engagement.
4. City Corporation is committed to sharing best practice and fostering a learning mindset in risk management. As an outcome of previous work with Bayes Business School, the Chief Strategy Officer will attend the launch of the Chief Risk Officer Network, an invitation-only gathering from across the City of London's financial services sector. Hosted by the Rt Hon the Lord Mayor of London, Alderman Alastair King, the CRO Network will be formally launched on Tuesday, 4 November 2025.

### Current Position

5. 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). The Committee received a full corporate risk register at their September meeting. A summary table of the Corporate Risks can be found at para 15, a detailed report of corporate risks that have been updated during this period is available in appendix 1 and a summary report of the red departmental risks is at Appendix 2.

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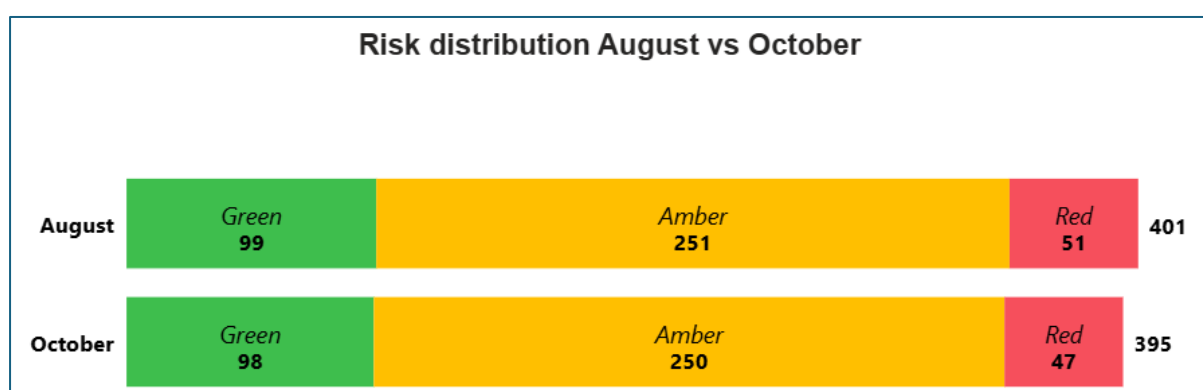
<sup>3</sup> A **risk universe** sits above the risk register, **creating space to identify and record all risks** regardless of their management status.



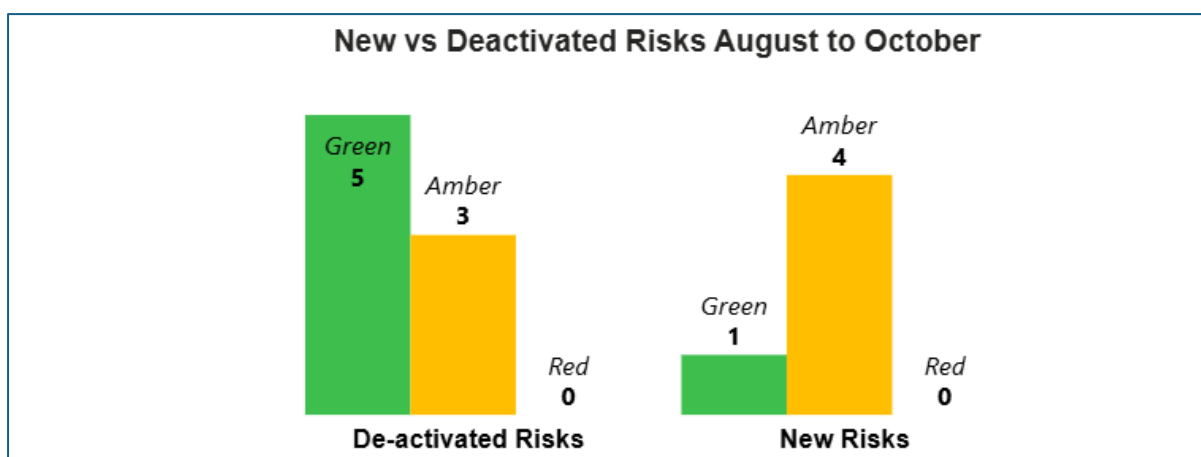
6. The corporate and red departmental risk registers were reviewed by the Chief Officer Risk Management Group (CORMG) on 16 October 2025 as Senior Officers responsible for overseeing CoLC risk management actions, decisions and outcomes (including consideration of developing risk areas and cross-corporation risk management themes) on behalf of the Executive Leadership Board. This meeting CORMG had a strong focus ensuring the corporate risk register is reflective of current internal and external context, and aligned to our strategic outcomes. This focus in conjunction with the activities outlined in paragraph 2 led to some movement within the corporate risk register during this period.
7. We remain committed to maintaining a dynamic and regularly updated risk register. During this reporting period, risks that have been managed or finalised have been removed, and newly identified risks have been added. Additionally, the register continues to be refined, with duplicate or legacy incomplete entries being cleared - these removals are not reflected in the deactivation table below (Table 1) but are captured within the overall risk distribution (Graphic 1).

		Deactivated risks	New risks
By RAG rating	<b>Red</b>	0	0
	<b>Amber</b>	3	4
	<b>Green</b>	5	1
	<b>Total</b>	<b>8</b>	<b>5</b>
By Risk Level	<b>Departmental</b>	3	2
	<b>Service</b>	5	3
	<b>Programme</b>	0	0
	<b>N/A</b>	0	0

Table 1: August – October: New vs Deactivated risks by RAG rating and Risk level



Graphic 1: August vs October 2025: Overall Risk Numbers by RAG Rating on Ideagen



Graphic 2: August - October 2025: New vs Deactivated Risks by RAG Rating on Ideagen

## Corporate risks

8. There are currently 12 corporate risks on the corporate risk register (4 Red and 8 Amber). Since the last report to the Committee two risks de-escalated to departmental level and one risk escalated from departmental level. Risk appetite for corporate risks is outlined in appendix 3.
9. *CR39 Recruitment and Retention* has been de-escalated from a corporate to a departmental level risk following CORMG approval in October 2025. The Chief People Officer advised that this is no longer a risk at a corporate level for the City Corporation and should be managed as part of routine HR and departmental oversight (localised retention issues will be managed in this way). A new corporate risk related to people is being developed to reflect the current context and the Chief People Officer is attending A&RMC to provide an update.
10. CORMG additionally approved the de-escalation of *CR29 Information Management* at their October meeting following the completion of mitigating actions addressing the original risk. The creation of a new risk that reflects current challenges in this space/in the data/information is also being explored with the aim to present to CORMG in quarter 4.
11. *CHB 002 Housing Revenue Account Financials Red 16* (3 likely x 4 major) has been escalated from departmental level and is now on the corporate risk register as CR42 following CORMG approval in October. This reflects the pivotal nature of the risk and the need for decisive changes to ensure its sustainability and effective delivery. Additional mitigations are being implemented aiming to strengthening its financial position and operational effectiveness.
12. Work has been ongoing to ensure that corporate risks remain aligned with current and emerging contexts. As such:
  - a. *CR02 Loss of Business Support* has been revised to *CR02 City Corporation's role in promoting UK FPS* to realign the risk with the Corporation's objective to drive economic growth and to champion UK FPS. The risk score has been decreased from **Amber 12** (4 major x 3

possible) to **Amber 6** (4 major x 3 possible) and the target score decreased to **Green 4** (2 serious x 2 unlikely). New mitigations are being implemented to support the new direction.

- b. *CR33 Major Capital Schemes* has been updated to *CR33 Project portfolio strategic impact and/or financial value*. All projects are now subject the new corporate portfolio management approach, and the scope of CR33 has been widened to reflect this. Current scoring of **Amber 12** (3 possible x 4 major) and target of **Amber 8** (2 unlikely x 4 major) unchanged from the previous iteration.

13. The RAG matrices below show the distribution of corporate risks as of 27 October 2025 (Table 3) and 28 August 2025 (Table 4):

	Minor	Serious	Major	Extreme
Likely			2	
Possible		1	6	1
Unlikely			1	1
Rare				

Table 3: October 2025 Corporate Risk Heatmap

	Minor	Serious	Major	Extreme
Likely			1	
Possible			8	1
Unlikely			2	1
Rare				

Table 4: August 2025 Corporate Risk heatmap

14. The highest scoring corporate risk is *CR16 Information Security* at **Red 24** (Impact 8 Extreme x Likelihood 3 Possible). Actions to mitigate this risk are ongoing, with recent activity including the implementation of a 24/7 Security Operations Centre, bringing security services in-house, giving greater control over, and visibility of, security controls. An external partner with Cyber Security expertise has been appointed to advise on the optimal setup of an internal Cyber Team which will work across the wider organisation including Institutions to ensure the continued safety of City Corporation. Additional training needs are being reviewed and implemented. The risk appetite level was set at the September Digital Services Committee (see Appendix 3 for more details).
15. Table 5 below shows a summary of all CoLC corporate risks as of 27 October 2025:

Code	Title	Likelihood	Impact	Current Score	Rating	Date Reviewed	Target Score	Target Date	Trend since last review	Risk Approach
CR16	Information Security (formerly CHB IT 030)	Possible	Extreme	24	Red	13-Oct-2025	16	31-Oct-2025	Constant	Reduce
CR35	Unsustainable Medium-Term Finances - City Fund	Likely	Major	16	Red	20-Oct-2025	8	31-Mar-2026	Constant	Reduce
CR36	Protective Security	Unlikely	Extreme	16	Red	30-Jul-2025	16	31-Jul-2026	Constant	Accept
CR42	Housing Revenue Account Financials (formerly CHB 002)	Likely	Major	16	Red	17-Oct-2025	8	30-Mar-2026	Constant	Reduce
CR01	Resilience Risk	Possible	Major	12	Amber	03-Oct-2025	8	31-Jan-2026	Constant	Reduce
CR09	Health, Safety and Fire Risk Management System	Possible	Major	12	Amber	14-Oct-2025	4	29-Mar-2029	Constant	Reduce
CR30	Impact of Climate Change	Possible	Major	12	Amber	29-Aug-2025	6	31-Mar-2027	Constant	Reduce
CR33	Project portfolio strategic impact and/or financial value	Possible	Major	12	Amber	17-Oct-2025	8	31-Mar-2029	Constant	Reduce
CR37	Maintenance and Renewal of Corporate Physical Operational Assets (excluding housing assets)	Possible	Major	12	Amber	19-Aug-2025	8	31-Mar-2029	Constant	Reduce
CR38	Unsustainable Medium-Term Finances - City's Estate	Possible	Major	12	Amber	30-Sep-2025	8	31-Mar-2026	Constant	Reduce
CR10	Adverse Political Developments	Unlikely	Major	8	Amber	18-Oct-2025	4	09-Jul-2029	Constant	Reduce
CR02	City Corporation's role in promoting UK FPS	Possible	Serious	6	Amber	17-Oct-2025	4	31-Mar-2027	Decreasing	Reduce

Table 5: October 2025: List of Current Corporate Risks by Current Risk Score

## **Red Departmental Risks**

16. There are currently 15 departmental red risks. Since the last report to the Committee one risk escalated to corporate level (see paragraph 11). There are no further changes to report.

## **Corporate & Strategic Implications**

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

*Financial implications* – Transformation fund investment received to engage Gartner over two years to support advancement of our work on Risk Culture.

*Resource implications* – None applicable

*Legal implications* – None applicable

*Risk implications* – None applicable

*Equalities implications* – None applicable

*Climate implications* – None applicable

*Security implications* – None applicable

## **Conclusion**

17. This risk update and accompanying 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: Updated Corporate Risks detailed report
- Appendix 2: Red departmental risks summary report
- Appendix 3: Risk Appetite Update – Non-public

**Olivia Plunkett**

Corporate Strategy Officer

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# ARMC – Updated Corporate Risks Report

29 October 2025



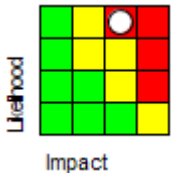
## Contents

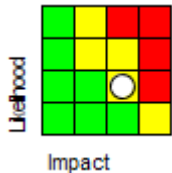
New Corporate Risk	CR42 <i>Housing Revenue Account Financials (formerly CHB 002)</i>	Page 1 - 4
Revised Corporate Risks	CR33 <i>Project portfolio strategic impact and/or financial value</i>	Page 5 - 8
	CR02 <i>City Corporation's role in promoting UK FPS</i>	Page 9 - 12

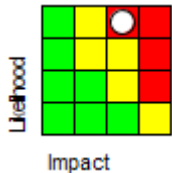
## New Corporate Risk (1 risk)

<b>Risk Code</b>	CR42	<b>Risk Title</b>	<i>Housing Revenue Account Financials (formerly CHB 002)</i>
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Page 47 <b>Description</b>	<p><b>Cause:</b> The Housing Revenue Account must be self-financing, cost pressures include:</p> <ul style="list-style-type: none"><li>• Ongoing delays in building statutory new homes causing delays to income streams and increased costs.</li><li>• Resourcing for health and safety to ensure meeting of compliance requirements.</li><li>• Substantial improvement works required on existing stock.</li><li>• Existing funding streams are constrained, with reliance on temporary or uncertain sources such as National Insurance grant allocations, external grants, and re-prioritisation decisions regarding City Fund Capital Reserves.</li></ul>
	<p><b>Event:</b> Inability to produce balanced Housing Revenue Accounts, breaching the City of London Corporation's statutory duties.</p> <p><b>Effect:</b> Breaching the City of London Corporation's statutory duties, reputational damage and inability to effectively deliver the housing service.</p>

<b>Current Risk</b>		
<b>Risk Score</b>	<b>Likelihood</b>	<b>Impact</b>
16	Likely	Major
Red	<b>Trend</b>	Constant

<b>Target Risk</b>		
<b>Risk Score</b>	<b>Likelihood</b>	<b>Impact</b>
8	Unlikely	Major
Amber	<b>Target Date</b>	30 Mar 2026

<b>Original Risk</b>		
<b>Risk Score</b>	<b>Likelihood</b>	<b>Impact</b>
16	Likely	Major
Red	<b>Creation Date</b>	16 Oct 2023





<p>Page 4</p> <p>CR42c MHCLG</p>		<p>forecasts next due in early November. Continue to monitor the risk around non-recovery of leaseholder contributions to capital projects following the Great Arthur cladding case decision.</p>	<p>address this gap across the major project programmes presents significant health and safety risks. Additionally, potential delays to new build projects may impact the revenue projections outlined in the 10 Year Plan. Ongoing monitoring of the risk associated with non-recovery of leaseholder contributions to capital projects remains essential.</p> <p>Efforts are in progress to address the funding gap through City Fund by considering external and third-party funding sources. A report detailing available options will be presented to the committee in November 2025 for review</p>			
	CHB002b Repairs & Maintenance	Impact of inflation - capital schemes forecast to exceed budget as well as much increased repairs and maintenance and energy costs.	<p>The Savills report and Pennington review identified high repairs and maintenance costs, management costs and depreciation charges. When compared to other local authorities, this outcome is expected given the relatively low housing stock—3,000 units as opposed to 15,000 units in comparable jurisdictions.</p> <p>Property condition surveys will be available in October, along with further recommendations.</p> <p>Planning to commission further review of cost base to identify efficiencies, including where technology may assist in reducing costs.</p>	20-Oct-2025	Mark Jarvis	31-Oct-2025
	CR42c MHCLG	Engagement with government departments (e.g., MHCLG) and	Many other London Boroughs also have very fragile HRAs and we are working with local	20-Oct-2025		30-Nov-2025

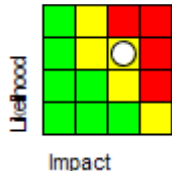
Engagement	other stakeholders to discuss challenges and options.	government colleagues as well as MHCLG and Treasury on wider solutions to current challenges.  A meeting is booked with MHCLG in October.			
CR42d Grant Funding for 2025/26	Utilising fair proportion of National Insurance Grant Funding to cover increased Employers NI for health and safety staffing costs for 2025/26	Modelling full staff costs in the 5 year HRA plan.	20-Oct-2025		31-Mar-2026

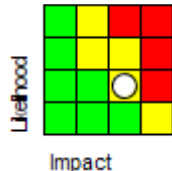
## Revised Corporate Risks (2 risks)

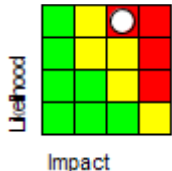
<b>Risk Code</b>	CR33
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<b>Risk Title</b>	<i>Project portfolio strategic impact and/or financial value</i>
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<div>Page 51</div> <div>Description</div>	<p><b>Cause:</b> The City of London Corporation is committed to delivering a diverse and ambitious portfolio of projects spanning both capital and revenue projects. As part of strengthening governance and delivery oversight, the Corporation is introducing a new P3 (Projects, Programmes and Portfolio) Framework in autumn 2025. The successful adoption of this framework is critical along with the development and appropriate utilisation of a strategic prioritisation tool to support consistent decision-making and alignment with corporate priorities. If the framework and its associated tools are not successfully embedded and adopted, it may result in fragmented governance, unclear accountability, and inability to deliver projects and programmes and achieve strategic intent.</p> <p><b>Event:</b> Inadequate portfolio-level control and weak adherence to corporate prioritisation mechanisms result in consistent delays to project progression, evidently inconsistent delivery, and fragmented governance. Financial implications emerge from deferred starts and prolonged maintenance obligations, whilst increasing the risk of reputational damage due to perceived inefficiency and lack of transparency.</p> <p><b>Effect:</b> The realisation of this risk would significantly undermine the Corporation's ability to deliver its strategic priorities and realise intended benefits across both capital and non-capital programmes. Delays or abandonment of pipelined and future initiatives would weaken organisational momentum and credibility, while repeated slippages and inconsistent oversight could erode trust among key stakeholders, including government partners and the wider public. Financially, deferred project starts, and prolonged maintenance obligations would increase revenue expenditure, placing additional pressure on the Medium-Term Financial Plan (MTFP). The lack of effective governance and transparency would reduce assurance over programme performance, hinder informed decision-making, and compromise the Corporation's ability to respond with agility to emerging needs and opportunities. Collectively, these impacts would diminish the Corporation's reputation, operational efficiency, and long-term sustainability</p>
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<b>Current Risk</b>		
<b>Risk Score</b>	<b>Likelihood</b>	<b>Impact</b>
<b>12</b>	Possible	Major
Amber	<b>Trend</b>	Constant

<b>Target Risk</b>		
<b>Risk Score</b>	<b>Likelihood</b>	<b>Impact</b>
<b>8</b>	Unlikely	Major
Amber	<b>Target Date</b>	31 Mar 2029

<b>Original Risk</b>		
<b>Risk Score</b>	<b>Likelihood</b>	<b>Impact</b>
<b>16</b>	Likely	Major
Red	<b>Creation Date</b>	14-Feb-2020

<b>Latest Note</b>	Risk revised as approved by CORMG 16 October 2025.	<b>17-Oct-2025</b>
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<b>Risk Level</b>	Corporate
<b>Department</b>	Chamberlain's

<b>Risk Approach</b>	Reduce
<b>Risk Owner</b>	Caroline Al-Beyerty

### Associated Actions

Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CR33h New Project Governance Approach	Implement a new project governance approach	<p>The Town Clerk's portfolio board commenced in November 2023.</p> <p>A portfolio overview report approved by Projects and Procurement sub-committee, with one-off funding approved by CoCo on 7 March, further work underway to identify permanent funding source.</p> <p>A drafted project procedure and guidance document is in the process of going through Member governance, having been endorsed by the Town Clerk's Portfolio Board.</p> <ul style="list-style-type: none"> <li>• Phase 1 – Provision of PM Toolkit and enabling portfolio reporting to Portfolio Board and Members – reporting to commence from Summer 2025</li> <li>• Phase 2 – Roll out of new Gateways in the Project Procedure from November 2025</li> </ul> <p>Plan to be presented and approved at PPsC (June 25), Finance Committee (July 25), and CoCo (July 25).</p>	23-Jun-2025	Genine Whitehorne	31-Jul-2025
CR33j Project	Refresh the Project Management	Exploratory discussions as part of soft market	23-Jun-2025	Matthew Miles	30-Sep-2025

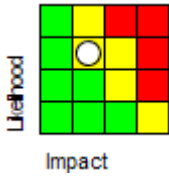
Management Academy	Academy	<p>testing ongoing with prospective supplier to ascertain appetite and costings for an outline training proposal in line with new project procedure and framework. A transformation funding proposal was submitted to undertake this work in April 2025, with funding approval confirmed in May 2025.</p> <p>A vacancy in the Projects Skills and Capability Manager role is contributing pressures. However, an apprentice is being recruited to provide administrative support.</p>			
CR33k New Project Management System  Page 53	Procure and implement a new project management system	<p>A broad programme of requirements workshops for the new Cora Project Management system completed in January 2025. Moreover, User Acceptance Testing (UAT) completed in March 2025. Identified issues are being resolved as part of system configuration.</p> <p>The approach to user engagement and training is currently being implemented, with pilot portfolio dashboard reporting to be trialled in early May, with the system expected to be in use for the first full Portfolio reports at end May 2025. During transition data quality assurance is underway, with assured dashboard reporting expected in September 2025.</p> <p>Phase 2 system implementation planning is underway. This will cover changes associated with the updated Project Procedure and implementation of a benefits module. Delivery of a finance module and integration with</p>	23-Jun-2025	Matthew Miles	31-Jul-2025

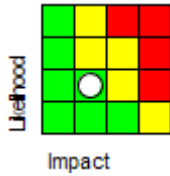
		finance systems will form Phase 3.			
CR33l Cashflow and Forecast Monitoring	Monitor the high-level cashflow/forecast monthly	<p>The Investment Management Monthly Meeting is ongoing.</p> <p>The Chamberlain's Assurance Board has also been established to review the financial dashboards and forecasts for the Major Programmes, with updates provided to the Portfolio Board.</p> <p>The cashflow and capital realisation strategy was presented to Finance and Investment Committees in February with a quarterly updated in May. Quarterly monitoring/reporting will continue going forwards.</p> <p>The achievement of property sales on time, as well as drawdown from financial investments, is necessary to fund cash outflows. This is a key risk that will continue to be monitored.</p>	23-Jun-2025	Sonia Virdee	31-Mar-2029
CR33m Secure Third- Party Funding	Secure Third-Party Funding	A project update report is prepared for information to the Finance Committee, Capital Buildings Board and Policy & Resources Committee on a regular basis. This will continue throughout the lifespan of the Major Programmes.	23-Jun-2025	Sonia Virdee; Paul Wilkinson	31-Mar-2029
CR33n Provide regular Member updates	Provide regular Member updates	A project update report is prepared for information to the Projects and Procurement Sub Committee, Finance Committee, Capital Buildings Board and Policy & Resources Committee on a regular basis. This will continue throughout the lifespan of the Major Programmes.	23-Jun-2025	Sonia Virdee; Genine Whitehorne	31-Mar-2029

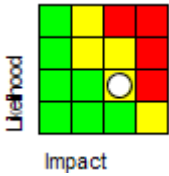
<b>Risk Code</b>	CR02
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<b>Risk Title</b>	<i>City Corporation's role in promoting UK FPS</i>
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<div>Page 55</div> <div>Description</div>	<p><b>Cause</b> – A key strategic outcome of the Corporation is to drive economic growth, and champion UK Financial &amp; Professional Services. UK FPS is facing a number of external pressures including extraterritorial regulatory changes, geopolitical instability, and market shifts. There is a risk that the Corporation's approach may be perceived as unambitious strategically or tactically ineffective if it is to address the scale of the challenges faced by FPS.</p> <p><b>Event</b> - The Corporation ceases to be regarded as a champion of UK FPS, diminishing its reputation and perceived relevance among stakeholders in the UK Financial &amp; Professional Services Sector.</p> <p><b>Effect</b> – A key role for the City Corporation is to promote the UK as a leading financial centre. If the Corporation's strategy is viewed as unambitious strategically or tactically ineffective to respond to challenges facing UK FPS, then we could be viewed as inadequate by UK FPS and no longer seen as a partner of choice. This could cause reputational damage to the Corporation, resulting in:-</p> <ul style="list-style-type: none"> <li>• <b>Delivery:</b> the Corporation may struggle to deliver key initiatives such as the Mansion House Accord and Transition Finance Council which rely on strong stakeholder engagement and a stable regulatory environment.</li> <li>• <b>Partnerships:</b> the Corporation may lose its ability to work with key partners. Key industry and government stakeholders may withdraw their collaboration if they do not see the Corporation as an effective or influential partner.</li> <li>• <b>Commercial loss:</b> a decline in the Corporation's reputation could lead to a reduced demand for its commercial offerings such as venue hire.</li> <li>• <b>Talent acquisition:</b> the Corporation may find it harder to attract and retain highly skilled and talented people if it is not viewed as an impactful and relevant organisation.</li> </ul>
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<b>Current Risk</b>		
<b>Risk Score</b>	<b>Likelihood</b>	<b>Impact</b>
<b>6</b>	Possible	Serious
Amber	<b>Trend</b>	Decreasing

<b>Target Risk</b>		
<b>Risk Score</b>	<b>Likelihood</b>	<b>Impact</b>
<b>4</b>	Unlikely	Serious
Green	<b>Target Date</b>	31-Mar-2027

<b>Original Risk</b>		
<b>Risk Score</b>	<b>Likelihood</b>	<b>Impact</b>
<b>8</b>	Unlikely	Major
Amber	<b>Creation Date</b>	17-Feb-2015

<b>Latest Note</b>	Risk has been revised as approved by CORMG 16 October.	<b>17-Oct-2025</b>
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<b>Risk Level</b>	Corporate
<b>Department</b>	Innovation and Growth

<b>Risk Approach</b>	Reduce
<b>Risk Owner</b>	Damian Nussbaum

### Associated Actions

Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CR02j Competitiveness strategy and market prioritisation refresh  Page 56	The competitiveness strategy is currently under review to ensure the Corporation can stay responsive to evolving market, regulatory and geopolitical conditions, and to enable the Corporation to maintain its competitive edge by adapting to new trends. A market prioritisation review is also underway to ensure our strategy is targeting the most relevant markets.				31-Mar-2026
CR02k Fraser group activity - collaboration	IG chair a cross department working group know as the 'Fraser Group in support of the competitiveness agenda. This group has representatives from IG, Rems, Corporate Affairs, Media, Strategy, OPC, MH and City of London Police and CDIU.				31-Mar-2027
CR02l Awareness of challenges within UK FPS	Teams across IG will monitor extraterritorial regulatory changes, the geopolitical situation and the UK				31-Mar-2027



	governments response to any changes in UK FPS. They will continue to work with stakeholders to understand these changes and help to ensure the Corporation can respond in an agile way to remain competitive and relevant.				
CR02m Engagement with REMS	The REMs team have a Corporate Risk CR10 –adverse political developments. They closely monitor legislation and provide information to CoLC stakeholders. IG will continue to work closely with REMs to monitor such changes.				31-Mar-2027
CR02n Communication strategies	G will work closely with the Corporations Media and Corporate Affairs teams to reinforce the City's reputation as a resilient and adaptable global financial hub. Transparent and timely communications will help mitigate the perceived negative impacts of any regulatory changes.				31-Mar-2027
CR02o Stakeholder engagement	IG will collaborate with FPS stakeholder to maintain awareness of any changes to the UK FPS landscape. IG will take a proactive approach in its engagement strategy to ensure it remains an industry and government partner of choice.				31-Mar-2027

CR02p Engagement with HR	IG will proactively engage with HR to ensure that we have robust recruitment strategies in place to attract talented people into the Corporation.				31-Mar-2027
CR02q Engagement with Office of Policy Chairman	IG will proactively work with the Office of the Policy Chairman to ensure that CPR is actively involved in key IG initiatives which support UK FPS (for example the Vision for Economic Growth)				31-Mar-2027
CR02r Engagement with Mansion House	IG will proactively work with Mansion House to support the Lord Mayor in his promotion of UK FPS (for example the Mansion House Accord). IG will also work closely with the SABBAC to ensure that UK FPS remains a priority for incoming Lord Mayors.				31-Mar-2027

# ARMC - Red Departmental Risks - Summary Report

29 October 2025

Rows are sorted by Risk Score



## Barbican Centre (4 risks)

Code	Title	Likelihood	Impact	Current Risk Score	Rating	Date Reviewed	Target Risk Score	Target Date	Trend since last review	Risk Approach
BBC Building s 027	Failure to maintain and renew Buildings and Estates Infrastructure	Likely	Extreme	32	Red	20-Aug-2025	4	30-Apr-2026	Constant	Reduce
BBC Building 001	Building Safety Act 2022 - High Risk Building Status	Possible	Extreme	24	Red	21-Aug-2025	8	30-Nov-2025	Constant	Avoid
BBC H&S 001	Safety Maturity	Unlikely	Extreme	16	Red	21-Aug-2025	2	31-Dec-2025	Constant	Reduce
BBC H&S 002	Failure to deal with Emergency/Major Incident/Risk of Terrorism	Unlikely	Extreme	16	Red	21-Aug-2025	8	31-Dec-2025	Constant	Reduce

## City of London Freeman's School (1 risk)

Code	Title	Likelihood	Impact	Current Risk Score	Rating	Date Reviewed	Target Risk Score	Target Date	Trend since last review	Risk Approach
CLF-016	Financial Sustainability	Likely	Major	16	Red	28-Aug-2025	4	31-Aug-2025	Constant	Reduce

City Junior School (1 risk)

Code	Title	Likelihood	Impact	Current Risk Score	Rating	Date Reviewed	Target Risk Score	Target Date	Trend since last review	Risk Approach
CJS 001	Pressures on financial model	Likely	Major	16	Red	10-Sep-2025	12	31-Aug-2026	Constant	Reduce

City of London Schools for Girls (2 risks)

Code	Title	Likelihood	Impact	Current Risk Score	Rating	Date Reviewed	Target Risk Score	Target Date	Trend since last review	Risk Approach
CSG-SG-001	External and internal pressures on financial model (SA5-Operations)	Likely	Extreme	32	Red	10-Sep-2025	12	31-Aug-2026	Constant	Reduce
CSG-SG-002	Governance	Likely	Major	16	Red	24-Sep-2025	12	31-Aug-2026	Constant	Reduce

City Surveyor's (2 risks)

Code	Title	Likelihood	Impact	Current Risk Score	Rating	Date Reviewed	Target Risk Score	Target Date	Trend since last review	Risk Approach
SUR SMT 006	Construction Consultancy Management	Likely	Major	16	Red	20-Aug-2025	6	31-Mar-2026	Constant	Reduce
SUR SMT 017	Extended Operation of Smithfield & Billingsgate Market Sites	Unlikely	Extreme	16	Red	20-Aug-2025	4	31-Dec-2026	Constant	Reduce

### Department of Community & Children's Services (2 risks)

Code	Title	Likelihood	Impact	Current Risk Score	Rating	Date Reviewed	Target Risk Score	Target Date	Trend since last review	Risk Approach
DCCS HS 005	Major works programme	Likely	Major	16	Red	15-Aug-2025	6	31-Dec-2025	Constant	Reduce
DCCS HS 007	Blake Tower - Barbican Estate	Likely	Major	16	Red	22-Aug-2025	4	30-Jun-2026	Constant	Reduce

### Environment Department (1 risk)

Code	Title	Likelihood	Impact	Current Risk Score	Rating	Date Reviewed	Target Risk Score	Target Date	Trend since last review	Risk Approach
ENV-T 001	Maintenance and renewal of physical assets	Likely	Major	16	Red	25-Oct-2025	6	31-Mar-2026	Constant	Reduce

### Guildhall School of Music and Drama (1 risk)

Code	Title	Likelihood	Impact	Current Risk Score	Rating	Date Reviewed	Target Risk Score	Target Date	Trend since last review	Risk Approach
GSMD SUS 002	Inability to deliver a balanced and sustainable model over the School's Business Cycle	Likely	Major	16	Red	16-Oct-2025	4	01-Apr-2026	Constant	Reduce

Department Description Town Clerk’s

Code	Title	Likelihood	Impact	Current Risk Score	Rating	Date Reviewed	Target Risk Score	Target Date	Trend since last review	Risk Approach
TC DTC PA 03	Fraud and Cyber Crime Reporting & Analysis Service (FCCRAS) Procurement	Possible	Extreme	24	Red	24-Jun-2025	16	31-Dec-2025	Constant	Reduce

<b>Committee(s)</b>	<b>Dated:</b>
Audit and Risk Management Committee	17/11/2025
<b>Subject: Internal Audit Update</b>	<b>Public</b>
<b>Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?</b>	<b>N/A</b>
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>N</b>
<b>If so, how much?</b>	<b>N/A</b>
<b>What is the source of Funding?</b>	<b>N/A</b>
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	<b>N/A</b>
<b>Report of: Group Chief Internal Auditor</b>	<b>For Information</b>
<b>Report author: Matt Lock</b>	

## Summary

This report provides an update on Internal Audit activity between 1 July 2025 and 30 September 2025. 11 Internal Audit reviews have been completed to Final Report stage and work is in progress at various stages for a number of Audit reviews. Delivery of the 2025/26 Internal Audit Plan is on track.

## Recommendation(s)

Members are asked to:

- Note the outcomes of completed Internal Audit work.

## Main Report

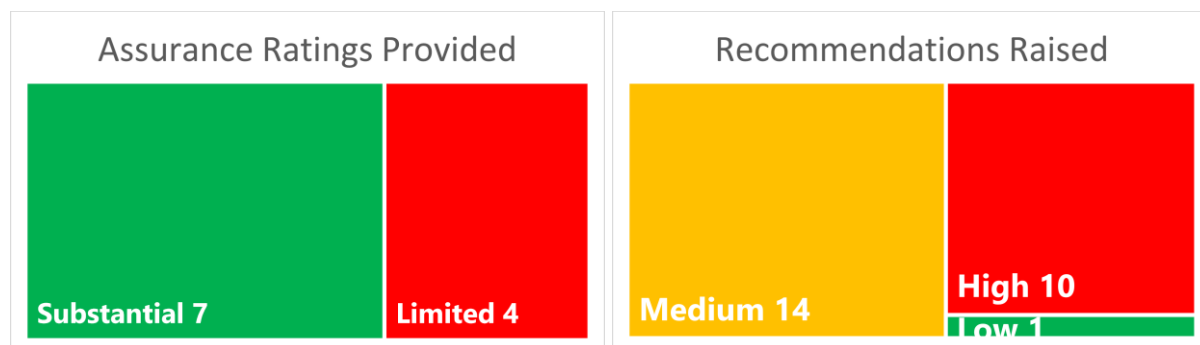
### Background

1. This report provides an update on the work of Internal Audit during July, August and September 2025, the Quarter 2 Internal Audit update report for 2025/26. Specifically, this report provides an overview of the outcomes from completed Internal Audit reviews. Appendix 1, Internal Audit Dashboard, shows analysis in relation to completed Audit work for the period and year to date.

### Current Position

2. Final Audit Reports have been issued in respect of 11 Audit Reviews in quarter 2 of 2025/26, resulting in 7 Substantial and 4 Limited Assurance opinions. The overall outcomes from the recently completed Audit reviews are summarised in the following table with further information provided in Appendix 1, Internal Audit Dashboard, in relation to the Limited Assurance opinions:

Department	Audit Title	Assurance Rating	Recommendations Made		
			Red	Amber	Green
Chamberlain's	Contract Management	Substantial	0	1	0
Corporate Wide	Use of Consultants	Limited	2	1	0
City Bridge Foundation	Grants	Substantial	0	2	0
Environment	Natural Environment Risk Management	Substantial	0	1	0
City Surveyor's	Tower Bridge Mud Tanks Consultant Appointments	Substantial	0	0	1
Guildhall School of Music and Drama	Contract Management	Limited	3	2	0
Guildhall School of Music and Drama	Non-Substantive Workforce	Limited	1	0	0
Barbican	Health and Safety	Limited	4	3	0
Chamberlain's	Procurement Authorisation Report Checks	Substantial	0	0	0
Environment	Natural Environment - Fees and Charges	Substantial	0	2	0
Corporate Wide	Climate Action Programme	Substantial	0	2	0



A full overview of the audit plan and assurance ratings from completed work is included as appendix 2.

- A number of additional Internal Audit Performance metrics have been developed, with more to follow, these are being used to create an Internal Audit Scorecard. The first representation of this data is included in the Internal Audit Q2 Dashboard, although Members should note that this is based on near-live data and so captures outcomes up to 31 October 2025, slightly ahead of the reporting period.

### Internal Audit Insight Reports

- Further to discussion at the September meeting of the Committee, a new reporting template has been created communicate the outcomes from completed Internal Audit work to the Chairs of the appropriate Service Committee. These reports will be issued



with the expectation that Chief Officers provide any further dialogue required directly to their Committees to enable timely Member oversight of the completion of management actions. The Group Chief Internal Auditor will communicate this change in process to all Chairmen and Chief Officers.

5. Internal Audit Insight Reports will be issued for work completed from Quarter 3 onwards, although the report format has been applied retrospectively for the purpose of providing this Committee with information relating to Limited Assurance outcomes, included within the Internal Audit Q2 Dashboard.

### **Internal Audit Follow-up Work**

6. To improve the clarity of reporting and tracking of work completed to review implementation of Internal Audit recommendations, follow-up reviews have now been captured in a more detailed subsection of the overall Internal Audit Plan, included as appendix 3 to this report.
7. Some further reporting metrics are in development to be able to provide richer management information in future Internal Audit update reports. This is reflective of the fact that management action plans include range of implementation dates for every Internal Audit review, yet follow-up will usually only take place once the latest date has past – inevitably, the majority of recommendations will therefore be recorded as past due date. Key new metrics will focus attention to those recommendations found not to be implemented at the agreed follow-up date.
8. An Internal Audit Follow-up Insight Report template has also been developed for the purpose of communicating follow-up outcomes to Service Committee Chairs. These reports will be deployed from quarter 3 onwards and will be included in subsequent Internal Audit update reports to this Committee.
9. The full schedule of overdue red rated recommendations is shown at appendix 4.

### **Corporate & Strategic Implications**

10. 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, risk management and governance. This programme of activity is aligned with the Corporate Plan, Corporate Risk Register and Departmental Top Risks.

### **Conclusion**

11. 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.

12. Very good progress has been made in the first half of the year to deliver the 2025/26 Internal Audit Plan and the team is currently on track to complete this work within the plan year.

### **Appendices**

- Appendix 1 – Internal Audit Dashboard Q2 2025/26
- Appendix 2 – Internal Audit Plan Overview
- Appendix 3 – Internal Audit Plan – Follow-up Reviews
- Appendix 4 – Overdue Red Recommendations

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# Internal Audit Dashboard: Quarter 2 – 2025/26

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## Contents:

- Q2 Overview
- Limited Assurance Insight Reports
- Cumulative Outcomes Dashboard
- Audit Reviews Completed in 2025/26
- Internal Audit Resource Analysis
- Amendments to Internal Audit Plan
- Internal Audit Recommendation Analysis
- Internal Audit Scorecard – year to date

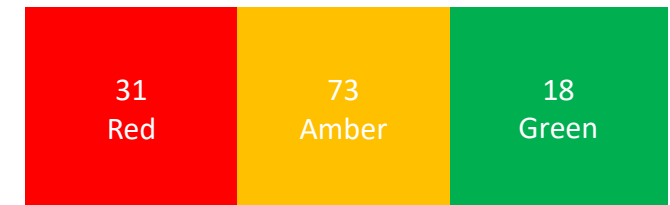
# Quarter 2 – 2025/26 - Overview

## Work completed in period

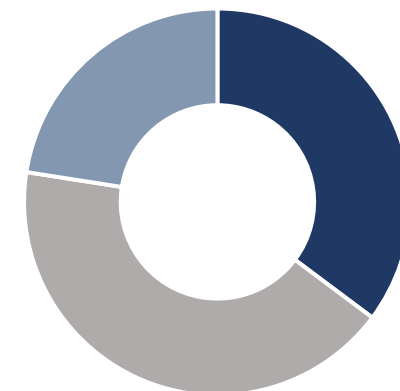
### Final Audit Reports Issued

Chamberlain's	Contract Management	Substantial
Corporate Wide	Use of Consultants	Limited
City Bridge Foundation	Grants	Substantial
Environment	Natural Environment Risk Management	Substantial
City Surveyor's	Tower Bridge Mud Tanks Consultant Appointments	Substantial
Guildhall School of Music and Drama	Contract Management	Limited
Guildhall School of Music and Drama	Non-Substantive Workforce	Limited
Barbican	Health and Safety	Limited
Chamberlain's	Procurement Authorisation Report Checks	Substantial
Environment	Natural Environment - Fees and Charges	Substantial
Corporate Wide	Climate Action Programme	Substantial

All Open Recommendations: **122**



### Overall Plan Delivery Status



■ Completed Audits ■ Not Yet Started ■ Work in Progress

Note: Insight reports follow for Limited Assurance outcomes

## SCOPE AND OBJECTIVES

The purpose of this audit was to assess how consultancy deliverables are defined and managed, whether the use of consultancy is reasonable and proportionate and if services are delivered on time and within budget and to form an opinion on value for money. The audit also sought to evaluate the corporate and departmental frameworks in place to ensure compliance with off-payroll working rules governing the engagement of consultants.

## SUMMARY OF AUDIT FINDINGS

It was not possible to complete this audit review as intended, owing to the absence of a structured and well governed framework of control over the use of consultants.

Supporting data is inconsistent and is of poor quality, which further undermines the ability to manage the overall use of consultants across the organisation.

It was not possible to form an opinion in relation to value for money or the extent to which compliance with IR35 is maintained.

## KEY INSIGHTS

- Estimated spend in 2024/25 ranges from £18m-£64m
- There is no governance framework in place to ensure effective and efficient use of consultants
- No function within Corporate Departments has taken responsibility for oversight of the use of consultants

This is a significant Corporate level Internal Audit observation.

## NEXT STEPS AND REQUIRED ACTION

- Create a standard definition of "Consultancy"
- Rationalise the range of budget codes that could be applied to consultancy spend
- Establish 2<sup>nd</sup> line oversight and governance of use of consultants.

Actions were agreed for completion by 30/10/2025, Internal Audit follow-up will take place in November.

## SCOPE AND OBJECTIVES

In addition to the core establishment of staff, The Guildhall School engages a significant number of workers via various arrangements and working to different terms and conditions.

Our review evaluated the accessibility of complete and accurate data regarding non-substantive workers (fixed term and self-employed workers) and the availability of Institutional level guidance to ensure consistent terms and conditions for workers in similar roles. The overall objective was to provide assurance as to the adequacy and effectiveness of arrangements in place to ensure consistency and equality in respect of the terms and conditions of engagements of non-substantive workers.

## SUMMARY OF AUDIT FINDINGS

There is insufficient management information regarding the scale and distribution of the non-substantive workforce at GSMD and no formal, organisation-wide criteria for categorising such workers. Testing focused on the Guildhall Young Artists Department, inconsistencies were found in pay rates and role classifications across different datasets and audit analysis was hampered by limitations to the available data.

## KEY INSIGHTS

- The inconsistency of terms and conditions and basis for engagement creates a potential inherent risk to pay equality.
- If institutional parameters and expectations are not defined, it will be impossible to ensure consistency across the organisation.
- The financial implications of harmonising terms and conditions is unquantified.

A key contributing factor to the current position is the incorporation of various “satellite” organisations under the GSMD umbrella, with existing workers remaining on originally agreed terms and conditions. At present, this is an Institutional issue.

## NEXT STEPS AND REQUIRED ACTION

- The GSMD leadership team are reflecting on the findings of this audit and seeking to develop an action plan to address the fundamental issue raised.
- The Audit and Risk Management Committee of the GSMD will monitor progress.

## SCOPE AND OBJECTIVES

Part of a wider rolling programme of contract management checks across City of London Corporation departments, this audit examined arrangements for local contract management and monitoring. The Contracts Register included 18 contracts under GSMD with a combined annual value of approximately £1.6m.

The key objective of this audit was to evaluate local application of contract management activities, focusing on supplier performance and service delivery and forward planning for contract review.

## SUMMARY OF AUDIT FINDINGS

The audit provided limited assurance over contract management controls, highlighting inaccuracies in the contract register, lack of awareness among contract managers and inconsistent application of corporate contract management principles. There was limited evidence of performance monitoring and forward planning for contract reviews, raising concerns about oversight, value for money, and the achievement of contractual obligations.

## KEY INSIGHTS

While Limited assurance is given, this is in relation to the effectiveness of the control framework for contract management at the Institutional level.

- Financial materiality, particularly in relation to potential gains from adopting a more robust approach, is relatively low.
- Implementation of Internal Audit recommendations will support better outcomes from the operation of contracts.

## NEXT STEPS AND REQUIRED ACTION

- A management action plan was agreed to address the 5 recommendations made by Internal Audit by 31/03/2026.
- The Audit and Risk Management Committee of the GSMD is monitoring progress against this action plan.

### SCOPE AND OBJECTIVES

This audit was delivered following creation of the Barbican Centre's dedicated Health and Safety team and building upon findings from previous Internal Audit work. The key focus was to provide assurance on the adequacy of the overall framework for ensuring appropriate Health and Safety practices throughout the Barbican Centre. Audit testing also evaluated safety risk management administration and alignment with respective Corporate Policy.

### SUMMARY OF AUDIT FINDINGS

The audit found that while there has been significant progress in embedding the dedicated H&S Team and identifying gaps in the Centre's H&S framework, the internal control system remains incomplete and the improvement programme is still in its early stages. A limited assurance opinion was given due to ongoing gaps in safety management, with recommendations made to strengthen arrangements, improve incident recording, and ensure compliant practices, including the rollout of a strategic H&S plan and recruitment to key roles.

### KEY INSIGHTS

The issues reported in this audit are being managed at an Institutional level, albeit in collaboration with the Corporate Health and Safety team.

- H&S maturity assessment is low: 35% against a corporate target of 65%
- Local procedure is incomplete
- H&S risk assessment is inconsistent across the Barbican Centre

### NEXT STEPS AND REQUIRED ACTION

- A comprehensive management action plan has been agreed, with many resolutions planned within 3 months, there are some longer-term issues.
- The Finance and Risk Sub-Committee of the Barbican Centre Board are monitoring and tracking progress in delivery of the management action plan.
- Internal Audit will complete an interim follow-up review in January 2025.

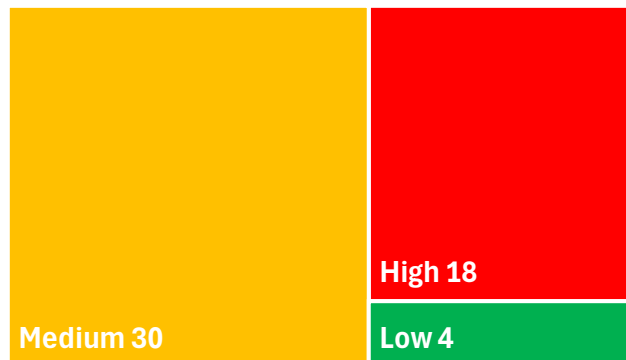


# Cumulative Outcomes Dashboard (from 01/04/2025 – 30/09/2025)

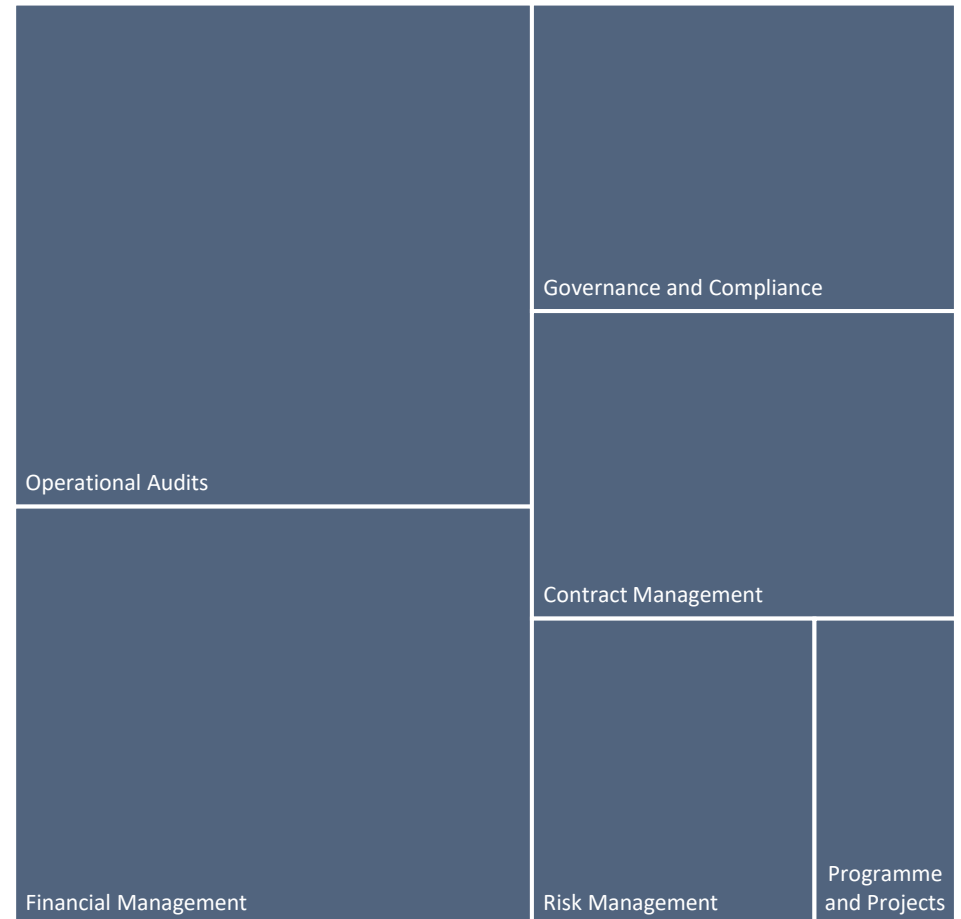
Assurance Ratings Provided



Recommendations Raised



Distribution of Assurance Work



# Audit Reviews Completed in 2025/26 (cumulative report)

## Final Reports

## Recommendations Made

Department	Audit Title	Assurance Rating	Red	Amber	Green
Comptroller & City Solicitor's	Risk Management	Moderate	0	2	0
Town Clerk's	Contract Management	Moderate	0	4	0
City of London School	Tuition Income	Limited	2	1	0
City of London Police	Information and Data Handling	Moderate	0	7	1
City of London Police	Income Collection and Cost Recovery	Substantial	0	0	0
Community and Children's Services	Direct Payments (Adults)	Substantial	0	3	1
City Bridge Foundation	Tower Bridge Contract Management	Limited	3	2	0
Community and Children's Services	Direct Payments (Children)	Substantial	0	0	1
City of London School for Girls	Income	Moderate	2	1	0
City of London Junior School	Income	Moderate	1	0	0
Chamberlain's	Contract Management	Substantial	0	1	0
Environment	Natural Environment Risk Management	Substantial	0	1	0
	Tower Bridge Mud Tanks Consultant				
City Surveyor's	Appointments	Substantial	0	0	1
Guildhall School of Music and Drama	Contract Management	Limited	3	2	0
Corporate Wide	Use of Consultants	Limited	2	1	0
City Bridge Foundation	Grants	Substantial	0	2	0
Guildhall School of Music and Drama	Non-Substantive Workforce	Limited	1	0	0
Barbican	Health and Safety	Limited	4	3	0
Chamberlain's	Procurement Authorisation Report	Substantial			
	Checks		0	0	0
Environment	Natural Environment - Fees and Charges	Substantial	0	2	0
Corporate Wide	Climate Action Programme	Substantial	0	2	0
<b>Total</b>			<b>18</b>	<b>34</b>	<b>4</b>

# Internal Audit Resource Analysis for 2025/26

---

**Baseline  
Target:  
600 Audit  
Days**

**Growth  
Target:  
1000 Audit  
Days**

**Current  
Capability:  
1015 Audit  
Days**

Timeline to meet Growth Target: 31/03/2026

## Notes:

- A full time Senior Auditor equates to 180 “Audit days”.
- 1 team member currently long-term sickness absence
- Recruitment of 2 Senior Auditors completed in October, to fill 1 vacancy and maternity cover for 1 post
- Provision of Internal Audit Services to London Councils and Museum of London totals 100 Audit days (55% of 1 FTE)

## Additional Resources:

- Partnered with Gartner UK for Assurance Leaders, providing access to extensive specialist support and advisory services and reference and training materials to support the development of the Internal Audit function
- Discussion in progress with 3<sup>rd</sup> party providers for the buy in of additional resources to meet specialist requirements and off-set sickness absence and vacancy factors – anticipated up to 100 audit days

# Amendments to Internal Audit Plan for 2025/26

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## Audits Added

Department	Audit Title
Environment	Setting of fees and Charges
Environment	Food Hygiene
Environment	Heathrow Animal Reception Centre
Barbican Centre	Facilities Management and Maintenance
Environment	Charities Review
People	Employee Relations Casework Management
Corporate/Chamberlain's	P-Cards – Approvals and Proper Use

## Audits Removed

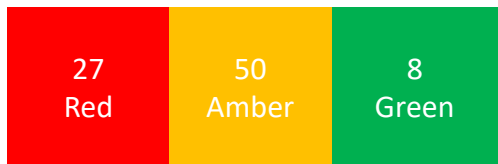
People	Recruitment and Retention (deferred)
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# Internal Audit Recommendation Analysis

**147 Open Recommendations** compared to 122 open recommendations at 30/06/2025 62 recommendations not yet due for follow-up

**25 recommendations have been raised in Quarter 2 2025/26, 27 raised in Q1, 20 recommendations closed Q2, 100 recommendations closed year to date**

Recommendations past their due date: 85



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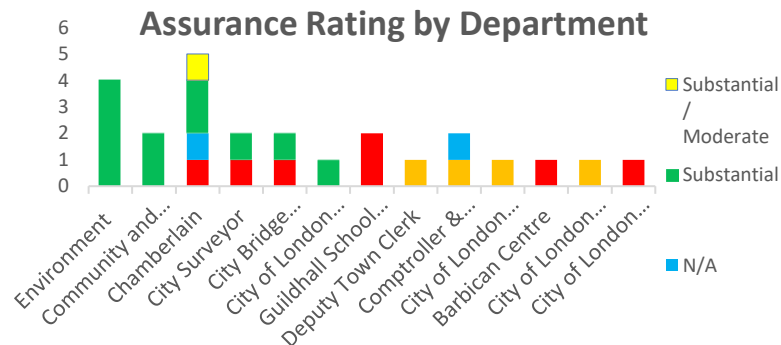
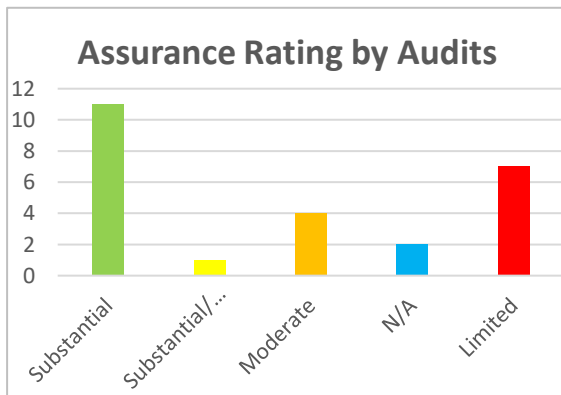
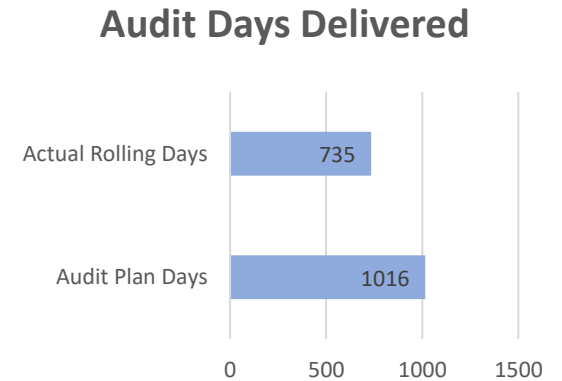
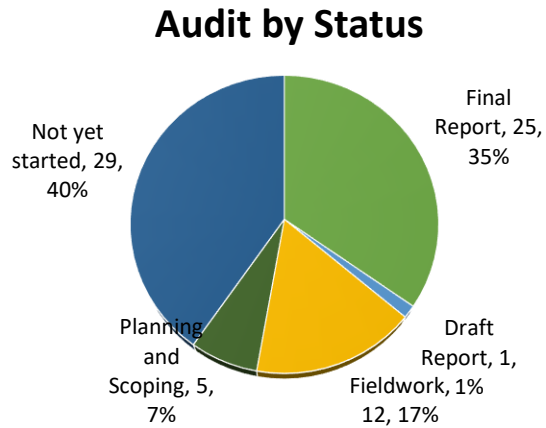
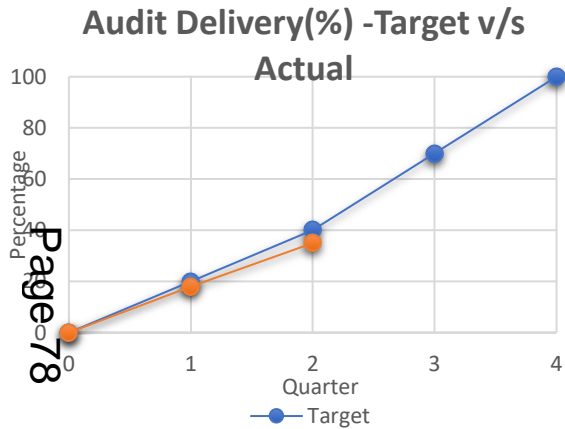
Current Aged Analysis of overdue recommendations:

Time past original due date	Number of Recommendations
< 6 months	45
6-9 months	14
9-12 months	1
12-24 months	8
24-36 months	17
Total	85

Aged Analysis of overdue recommendations at 33/06/2025:

Time past original due date	Number of Recommendations
< 6 months	36
6-9 months	12
9-12 months	3
12-24 months	14
24-36 months	0
Total	65

# Internal Audit Scorecard Year to Date (31 October 2025)



									Recommendations		
Department	Audit Title	Priority	Rationale for Inclusion	Audit Days	Audit Hours (budget)	Audit hours (Actual)	Audit Status	Assurance Rating	Red	Amber	Green
Chamberlain	Failure to Prevent Fraud - Policy, Procedure, Process	1	new legislation	15	105		Fieldwork				
Chamberlain	Income Collection and Debt Management	1	Work in Progress	19.5	136.5		Final Report	Substantial/Moderate	0	4	0
Chamberlain	PAR Process	1	Work in Progress	5	21	25	Final Report	Substantial	0	0	1
Chamberlain	Failure to Prevent Fraud - Education and Awareness	1	new legislation	7	49		Not yet started				
Chamberlain	Failure to Prevent Fraud - Risk Management and Due Dilligence	1	new legislation	15	105		Not yet started				
Chief Strategy Officer	Statutory Performance Reporting	2 - Cyclical	Due on cyclical programme	10	70		Mgt letter to be drafted	N/A			
City Surveyor	IPG Commercial Rents	1 - Cyclical	Due on cyclical programme	20	140		Final Report	Limited	0	4	0
City Surveyor	Property Assets - Cyclical Maintenance	2 - Cyclical	Due on cyclical programme	15	105		Fieldwork				
Comptroller & City Solicitor	Data Protection - 2nd line assurance	2 - Cyclical	Due on cyclical programme	7	49		Not yet started				
Deputy Town Clerk	Code of Conduct (Employees)	2 - Cyclical	Due on cyclical programme	10	70		Fieldwork				
Deputy Town Clerk	Scheme of Delegations	2 - Cyclical	Due on cyclical programme	15	105		Not yet started				
Deputy Town Clerk	Complaints	2 - Cyclical	Due on cyclical programme	7	49		Not yet started				
Deputy Town Clerk	Corporate Health and Safety	1 - Cyclical	Due on cyclical programme	15	105		Fieldwork				
Environment	Parking	2 - Cyclical	Due on cyclical programme	10	70		Not yet started				
Chamberlain	Contract Management	1	Work in Progress	1.25	8.75		Final Report	Substantial	0	1	0
Chamberlain	Cash Management	1 - Cyclical	Due on cyclical programme	15	105		Fieldwork				
Chamberlain	Change Control	2	Complexity of programmes and	15	105		Fieldwork				

									Recommendations		
Department	Audit Title	Priority	Rationale for Inclusion	Audit Days	Audit Hours (budget)	Audit hours (Actual)	Audit Status	Assurance Rating	Red	Amber	Green
Chamberlain	ERP - Delivery and Oversight	1	High risk programme	15	105		Fieldwork				
Chamberlain	Programme and Projects Budget Monitoring	2 - Cyclical	sensitivity of MTFP	15	105		Not yet started				
Chamberlain	IT Access Controls	1	Top IIA Risks	10	70		Fieldwork				
Chamberlain	ICT Strategy	1	Strategy now bedded in	10	70		Planning and Scoping				
Chamberlain	Cyber Security	1	Top IIA Risks	15	105		Not yet started				
Chamberlain	Use of Consultants (inc IR35 Compliance)	1	Chamberlain's Request	15	105		Final Report	Limited	3	0	0
Chamberlain	Payroll	2 - Cyclical	Due on cyclical programme	20	140		Not yet started				
Chamberlain	Pension Administration (LGPS)	2 - Cyclical	Due on cyclical programme	15	105		Planning and Scoping				
Chamberlain	Employee Relations casework	2 - Cyclical		10	70		Not yet started				
Chamberlain	Learning and Development	2 - Cyclical		10	70		Not yet started				
City Surveyor	Asset Disposal (may need to be split - to discuss at the time of auditing)	2 - Cyclical		10	70		Not yet started				
City Surveyor	Tower Bridge Mud tanks Consultant Appointments	1	In year Management request	5	35		Final Report	Substantial	0	0	1
Community and Children's Services	Direct Payments (Children)	1	Work in Progress	2	14		Final Report	Substantial	0	0	1
Community and Children's Services	Direct Payments (Adults)	1	Work in Progress	5	35		Final Report	Substantial	0	3	1
Community and Children's Services	Safeguarding (audit Liaison - Lianne Coopey/Rumina Sultana)	1		10	70		Not yet started				
Community and Children's Services	Housing Rents ( audit Liaison - Lianne coopey/Rumina Sultana)	2		15	105		Not yet started				
Community and Children's Services	Fees and Charges	1	Work in Progress	7	49		Not yet started				



									Recommendations		
Department	Audit Title	Priority	Rationale for Inclusion	Audit Days	Audit Hours (budget)	Audit hours (Actual)	Audit Status	Assurance Rating	Red	Amber	Green
Comptroller & City Solicitor	Risk Management	1	Final Report Issued	0.5	3.5		Final Report	Moderate	0	2	0
Comptroller & City Solicitor	LEXCEL - reliance on assessment and accreditation	2 - Cyclical	Working with external Providers	5	35		Final Report	N/A	0	0	0
Environment	Charity Review Outcomes	2	Post review assurance	10	70		Not yet started				
Environment	Fees and Charges	1	In progress	1.5	10.5		Final Report	Substantial	0	2	0
Environment	Natural Environment Risk Management	1	Thematic Review	1	7		Final Report	Substantial	0	0	1
Environment	Net Zero/Climate Action	1	Top IIA Risks	15	105		Final Report	Substantial	0	2	0
Environment	Building Control	2 - Cyclical	Due on cyclical programme	15	105		Not yet started				
Environment	Port Health Governance		TBD				Not yet started				
Environment	Planning and Development - Risk Management	1	Thematic Review	5	35		Final Report	Substantial			
Deputy Town Clerk	Guildhall Club - including Contract Management	3	Preparedness for future contract	7	49		Planning and Scoping				
Deputy Town Clerk	Contract Management	1	Work in Progress	1	7		Final Report	Moderate	0	4	0
Remembrancer	Events (Commercial)	3 - Cyclical	Due on cyclical programme	7	49		Planning and Scoping				
City of London Junior School	Income	1	Work in Progress	3	21		Final Report	Moderate	2	1	0
City of London School for Girls	Income	1	Work in Progress	2.5	17.5		Final Report	Moderate	2	1	0
Guildhall School of Music and Drama	Data Quality - HESA	1	Work in Progress	10.5	73.5		Fieldwork				
City of London school	Tuition Income						Final Report	Limited	2	1	0
Barbican Centre	Health & Safety	1	Work in Progress	3	21		Final Report	Limited	5	2	0
Barbican Centre	Ticket Income			10	70		Not yet started				

									Recommendations		
Department	Audit Title	Priority	Rationale for Inclusion	Audit Days	Audit Hours (budget)	Audit hours (Actual)	Audit Status	Assurance Rating	Red	Amber	Green
Barbican Centre	Purchase Cards			3	21		Not yet started				
Barbican Centre	Barbican Renewal Programme Governance	1		15	105		Fieldwork				
City Bridge Foundation	Grants	1	Work in Progress	6.5	45.5		Final Report	Substantial	0	2	0
City Bridge Foundation	Tower Bridge Contract Management	1	Work in Progress	2	14		Final Report	Limited	3	2	0
City Bridge Foundation	Financial Management	1 - Cyclical		10	70		Fieldwork				
City Bridge Foundation	Risk Management	1 - Cyclical		10	70		Not yet started				
City Bridge Foundation	Tourism (Tower Bridge Exhibition) Income	1 - Cyclical		10	70		Fieldwork				
City Bridge Foundation	Grants Framework	1 - Cyclical		10	70		Fieldwork				
City Bridge Foundation	Employees	1 - Cyclical		10	70		Not yet started				
City of London Police	Cost Recovery and Income Collection (part 2)	1		1.5	10.5		Final Report	Substantial	0	0	0
City of London Police	IT Service Delivery and Service Management	1 - Cyclical		15	105		Not yet started				
City of London Police	Risk Management	1 - Cyclical		10	70		Not yet started				
City of London Police	Productivity Measurement (growth tracking)	1 - Cyclical		10	70		Not yet started				
City of London Police	Workforce Planning	1 - Cyclical		15	105		Not yet started				
City of London Police	Pensions Administration (Police Scheme)	1 - Cyclical		10	70		Not yet started				
Guildhall School of Music and Drama	Non-substantive workforce	1	Work in Progress	1.5	10.5		Final Report	Limited	1	0	0
Guildhall School of Music and Drama	Contract Management	1	Work in Progress	2	14		Final Report	Limited	3	3	0
Guildhall School of Music and Drama	Fees and Charges	1	Work in Progress	7	49		Not yet started				

									Recommendations		
Department	Audit Title	Priority	Rationale for Inclusion	Audit Days	Audit Hours (budget)	Audit hours (Actual)	Audit Status	Assurance Rating	Red	Amber	Green
Barbican Centre	Fees and Charges	1	Work in Progress	7	49		Not yet started				
Innovation and Growth	Risk Management	1	Work in Progress	3	21		Not yet started				

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							Forward Plan	
Client	Audit	Assurance Rating	Red	Amber	Green	Total Made	Next Stage	Scheduled
City of London Freeman's School	Key Financial Controls	Moderate	0	11	3	14	Future Audit	Oct-25
Innovation & Growth	Operational Expenditure	Moderate	0	7	0	7	Second Follow-Up	Apr-25
City of London School	Key Financial Controls	Limited	3	21	0	24	Second Follow-Up	Jan-26
Barbican Centre	Business Continuity	Limited	3	7	0	10	First Follow-Up	Apr-25
DCCS	Housing Fire Safety Management	Moderate	4	0	0	4	Third Follow-Up	TBC
DCCS	Barbican Estate - Charging for Repairs	Limited	3	3	0	6	First Follow-Up	TBC
The Aldgate School	Key Financial Controls	Moderate	0	8	1	9	Second Follow-Up	Nov-24
Corporate	IR35 Compliance	Limited	5	1	0	6	First Follow-Up	Aug-25
Barbican	Financial Controls (Rolling Programme)	Moderate	1	6	1	8	First Follow-Up	Apr-25
Environment	Planning Governance	Moderate	0	5	2	7	First Follow-Up	May-25
City of London Police	Payroll Controls	Substantial	0	5	2	7	First Follow-Up	Jun-25
Barbican Centre	Contract Management	Limited	4	5	0	9	First Follow-Up	Jul-25
Corporate	P-Cards Use & Performance	Moderate	0	5	3	8	First Follow-Up	Jun-25
City of London Police	Police Accommodation Programme	Limited	0	3	0	3	First Follow-Up	Aug-25
DiTS	Digital Information and Technology Service DiTS - Risk Management	Moderate	0	2	0	2	First Follow-Up	Oct-25
Corporate	Managing Conflicts of Interest	Limited	6	1	0	7	First Follow-Up	Jun-25
Barbican	Safeguarding	Moderate	0	5	2	7	Second Follow-Up	Jan-26
Town Clerk's	Contract Management	Moderate	0	4	0	4	First Follow-Up	Jul-25
City of London Police	Information and Data Handling	Moderate	0	7	1	8	First Follow-Up	Aug-25
Comptroller & City Solicitor's	Risk Management	Moderate	0	2	0	2	N/A	N/A
City of London School	Tuition Income	Limited	2	1	0	3	First Follow-Up	Jan-26
DCCS	Direct Payments (adults)	Substantial	0	3	1	4	First Follow-Up	Dec-25
DCCS	Direct Payments (children)	Substantial	0	0	1	1	First Follow-Up	N/A
Tower Bridge	Contract Management	Limited	3	2	0	5	First Follow-Up	Dec-25

							Forward Plan	
Client	Audit	Assurance Rating	Red	Amber	Green	Total Made	Next Stage	Scheduled
City of London School for Girls	School Income	Moderate	2	1	0	3	First Follow-Up	Jan-26
City of London Junior School	Income	Moderate	1	0	0	1	First Follow-Up	Jan-26
Chamberlain's	Contract Management	Substantial	0	1	0	1	First Follow-Up	Jan-26
Corporate	Use of Consultants (inc. IR35 Compliance)	Limited	1	2	0	3	First Follow-Up	May-26
City Bridge Foundation	Grants Administration	Substantial	0	2	0	2	First Follow-Up	Mar-26
City Schools Finance Shared Service	Key Financial Controls: Shared Service	N/A	0	7	0	7	N/A	N/A
GSMD	Contract Management	Limited	3	2	0	5	First Follow-Up	Apr-26
Barbican	Health & Safety	Limited	4	3	0	7	First Follow-Up	Dec-25
Environment	Natural Environment Fees & Charges	Substantial	0	2	0	2	First Follow-Up	Feb-26
Innovation & Growth	Climate Action	Substantial	0	2	0	2	First Follow-Up	Apr-26

## Overdue Red Recommendations

Appendix 4

Department	Audit name	Recommendation	Implementation target date
Community and Children's Services	Charges for Repairs and Maintenance	The contract Schedule of Rates must be applied, where this is not possible, works must be specified and costed via quotation and the quotation attached to the works order.	30/06/2025
Community and Children's Services	Charges for Repairs and Maintenance	The Barbican Repairs Team should ensure that market testing (seeking alternate quotes) is undertaken in relation to non-SOR items, management may wish to set a financial threshold for this. Evidence should be retained.	30/06/2025
Community and Children's Services	Charges for Repairs and Maintenance	The Barbican Repairs Team should introduce, as a minimum, spot-checking to validate the completion of works and, for some categories of repair, part-completion. Evidence should be retained to demonstrate this.	30/06/2025
Community and Children's Services	Housing Fire Safety Management	Regular status updates should be provided at the Sub-Committee at least quarterly in relation to delivery of the programme of inspections and fire risk assessments.	28/06/2024
Community and Children's Services	Housing Fire Safety Management	Fire Safety status reports should be made to the Sub-Committee at least quarterly, showing timely updates in relation to completed or overdue actions.	28/06/2024
Community and Children's Services	Housing Fire Safety Management	The status of inspections and fire risk assessments should be reported to the first available Sub-Committee following completion.	28/06/2024
Barbican Centre	Business Continuity	The proactive Business Continuity testing programme arrangements should be re-defined, ensuring an appropriate frequency, and delivered as planned.	31/07/2025
Barbican Centre	Business Continuity	The outcome of Business Continuity test exercises should be clearly documented, evaluated and lessons learned highlighted to relevant parties.	31/07/2025
Barbican Centre	Business Continuity	Barbican Management should ensure that business continuity arrangements are revised, as necessary, following lessons learned from test exercises / plan activation.	31/07/2025
Chamberlain's	Procurement Authorisation Report Process	Actions should be formulated to address the Internal Audit findings in respect of departmental procurement activity and application of the PAR process to embed a compliant approach.	31/12/2024
Corporate Wide	Corporate: IR35 Compliance	Guidance in relation to IR35 should be reviewed and updated to ensure that it offers clarity and a consistent approach to completing the HMRC CEST tool.	31/05/2025

Department	Audit name	Recommendation	Implementation target date
Corporate Wide	Corporate: IR35 Compliance	Corporate HR should ensure that guidance in relation to IR35 is easily accessible to hiring managers and colleagues across departments.	31/07/2025
Corporate Wide	Corporate: IR35 Compliance	Corporate HR should ensure that monitoring arrangements in respect of the IR35 processes and controls are established.	31/07/2025
Corporate Wide	Corporate: IR35 Compliance	Corporate HR should establish a process by which all directly engaged agency workers are identified. A register of engaged contractors, falling outside of the payroll and agency, should be produced and maintained.	31/07/2025
Barbican Centre	Barbican - Contract Management	Barbican Centre management should take appropriate action to ensure that: <ul style="list-style-type: none"> <li>• There is a complete and accurate understanding of contracts in place to facilitate procurement and financial planning.</li> <li>• Contract managers are fully aware and have an accurate understanding of the contracts for which they are responsible.</li> </ul>	31/03/2025
Barbican Centre	Barbican - Contract Management	Barbican Centre management should take appropriate action to raise awareness of the principles of effective contract management, ensuring that contract managers in particular are adequately informed.	30/06/2025
Barbican Centre	Barbican - Contract Management	Barbican Centre management should ensure that contract managers are clear on their contract management responsibilities.	30/06/2025
Barbican Centre	Barbican - Contract Management	Barbican Centre management should take appropriate action to ensure that contract management activities are based on adequately defined and agreed performance measures with proportionate checks to ensure performance is consistently in line with expectations.	30/06/2025
Barbican Centre	Financial Controls	Barbican management review of compliance data (including timely requisitioning and prompt payment of invoices) should be used to identify: <ul style="list-style-type: none"> <li>• Any trends – for example seasonal absences – which indicate workflow or capacity issues.</li> <li>• Areas for staff development and targeted training requirements.</li> </ul>	30/09/2025
Chamberlain's	Managing Conflicts of Interest	The Commercial Service team should establish a centralised system for recording and storing conflict documentation for all procurement engagements, ensuring consistent retention and easy retrieval. The system should include clear protocols for saving and accessing records, should comply with relevant data protection regulations.	30/06/2025



Department	Audit name	Recommendation	Implementation target date
Chamberlain's	Managing Conflicts of Interest	The Commercial Service team should establish and implement a comprehensive conflict assessment process that evaluates the nature, scope, and impact of actual, potential, or perceived conflicts of interest. This should include identifying mitigating actions and ensuring that, after mitigation, no supplier holds an unfair advantage or disadvantage. Where necessary, segregation of duties should be maintained between the assessor and decision-maker to preserve the integrity of the process. Conflict assessments should be reviewed and updated throughout the procurement lifecycle to reflect any key changes in personnel or contracts.	30/06/2025
Chamberlain's	Managing Conflicts of Interest	The Commercial Service team should ensure that training on conflicts of interest is provided to relevant personnel to ensure they fully understand how to identify, assess, and manage conflicts in procurement. This will help mitigate risks and ensure compliance with policies and regulations.	30/06/2025
Chamberlain's	Managing Conflicts of Interest	The Commercial Service team should establish a framework to monitor compliance with conflict of interest requirements. This framework should define roles and responsibilities, outline the scope and frequency of monitoring, and ensure ongoing compliance and integrity in the procurement process.	31/03/2025
Chamberlain's	Managing Conflicts of Interest	The Commercial Service team should develop guidance outlining key considerations for mitigating conflicts of interest to ensure a consistent and effective approach.	30/04/2025
Chamberlain's	Managing Conflicts of Interest	The Procurement Code and Conflict of Interest Policy should be updated promptly to reflect the requirements of the Procurement Act 2023.	31/03/2025
City of London School	Income	The School in collaboration with Chamberlain's, the school's Board of Governors and Legal Counsel, should develop and implement a comprehensive strategy to recover the funds associated with the direct debit discrepancy, including a thorough review of impacted accounts, direct communication with affected parents, and corrective actions to ensure timely collection of outstanding fees.	31/08/2025

Department	Audit name	Recommendation	Implementation target date
Corporate Wide	2025-26 05 - CORP Use of Consultants (incl IR35 Compliance)	A clear and corporately agreed definition of 'consultancy' should be established to ensure consistent classification and accurate reporting across all departments.	30/09/2025

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