



Audit and Risk Management Committee

Date: MONDAY, 12 JANUARY 2026

Time: 11.00 am

Venue: COMMITTEE ROOMS, GUILDHALL

Members:	Alderman Prem Goyal CBE (Chairman)	Alderwoman Jennette Newman (Ex-Officio Member)
	Alderwoman Elizabeth Anne King, BEM JP (Deputy Chairman)	David Sales
	Gail Le Coz (Deputy Chairman)	Ruby Sayed
	Deputy Christopher Boden	Naresh Hari Sonpar
	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 17 November 2025.

For Decision
(Pages 5 - 14)

4. **ANNUAL REVIEW OF THE COMMITTEE'S TERMS OF REFERENCE**

Report of the Town Clerk.

For Decision
(Pages 15 - 18)

5. **OUTSTANDING ACTIONS OF THE COMMITTEE**

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

For Information
(Pages 19 - 20)

6. **COMMITTEE WORK PROGRAMME**

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

For Information
(Pages 21 - 30)

7. **RECRUITING EXTERNAL REPRESENTATIVES TO THE AUDIT & RISK MANAGEMENT COMMITTEE**

Report of the Chamberlain.

For Decision
(Pages 31 - 34)

8. RISK MANAGEMENT UPDATE

Report of the Chief Strategy Officer.

For Information
(Pages 35 - 102)

9. INTERNAL AUDIT CHARTER

Report of the Group Chief Internal Auditor.

For Decision
(Pages 103 - 116)

10. MID-YEAR TREASURY MANAGEMENT REVIEW 2025/26

Report of the Chamberlain.

For Information
(Pages 117 - 124)

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

14. NON-PUBLIC MINUTES OF THE PREVIOUS MEETING

To agree the non-public minutes of the previous meeting held on 17 November 2025.

For Decision
(Pages 125 - 128)

15. RISK MANAGEMENT UPDATE (NON-PUBLIC APPENDIX)

Non-Public Appendix to be received in conjunction with Item 8.

For Information
(Pages 129 - 134)

- 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**

Agenda Item 3

AUDIT AND RISK MANAGEMENT COMMITTEE

Monday, 17 November 2025

Minutes of the meeting of the Audit and Risk Management Committee held at Guildhall, EC2 on Monday, 17 November 2025 at 11.00 am

Present

Members:

Alderman Prem Goyal CBE (Chairman)
Alderwoman Elizabeth Anne King, BEM JP (Deputy Chairman)
Gail Le Coz (Deputy Chairman)
Deputy Timothy Butcher
Simon Burrows
Stephen Hodgson
David Sales
Ruby Sayed
Naresh Hari Sonpar
Dan Worsley
Alderman Kawsar Zaman

Officers:

Ian Thomas CBE	- Town Clerk
Caroline Al-Beyerty	- Chamberlain's Department
Matthew Lock	- Chamberlain's Department
Sonia Virdee	- Chamberlain's Department
Chris Keesing	- Chamberlain's Department
Dionne Corradine	- Town Clerk's Department
Tabitha Swann	- Town Clerk's Department
Olivia Plunkett	- Town Clerk's Department
Iain Jenkins	- Town Clerk's Department
Daniel Peattie	- Town Clerk's Department
Anu Newton	- Chamberlain's Department
Molly Carvill	- Town Clerk's Department

1. APOLOGIES

There were no apologies.

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 public and non-public summary minutes of the meeting held on 15 September 2025 were agreed as a correct record.

4. OUTSTANDING ACTIONS OF THE COMMITTEE

The Committee received a report of the Town Clerk concerning outstanding actions.

The Chairman had advised that Members defer any questions until the non-public session, as the outstanding action related to confidential information concerning the recruitment of an external Member.

RESOLVED - That, the report be noted.

5. COMMITTEE WORK PROGRAMME

The Committee received a report of the Group Chief Internal Auditor concerning the amendments to the proposed Committee dates for 2026, and the revised schedule of meetings for 2027.

The Chief Strategy Officer highlighted three items needing updating in the work programme:

- May 2026 - Annual Risk Management Report
- July 2026 - Risk Appetite Update, which would provide a key update incorporating ongoing work on risk appetite and any revisions required following consideration by Service Committees and Boards
- November 2026 – Risk Appetite Update

The work programme would be updated ahead of the next Committee meeting.

A Member sought clarification on the use of the term 'work programme', noting that it suggested the inclusion of the underlying audits and reviews. The Member revealed how the programme was more of a Committee programme and suggested that the terminology be clarified to indicate that underlying work, projects, and reviews are scheduled and managed separately. The Group Chief Internal Auditor suggested that renaming it 'Committee Cycle of Business' might provide greater clarity.

RESOLVED - That, the report be noted.

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

The Committee received a report of the Group Chief Internal Auditor concerning an update on the activity of the Anti-Fraud and Investigation team during the first half of the 2025/26 reporting year.

The following discussion took place:

- a) The Deputy Chair commended the Counter Fraud and Investigations Team for their work and the quality of the report and requested further information on the key themes arising from the recent fraud prevention workshops. The Counter Fraud & Investigations Manager explained that findings primarily related to employee matters, with significant themes emerging around collaboration between the Investment Property Group

and Commercial teams in addressing risks. A joint session was planned to facilitate this work.

- b) A Member queried whether the report should reference mid-year 2025–26 rather than 2024, the Officer confirmed that this was a mistake. The Member also encouraged inclusion of return on investment (ROI) metrics and drawing on sector examples to enhance the report.
- c) A Member expressed his interest in reading the investigations and processes undertaken but noted the absence of any reference to criminal proceedings. He queried whether police involvement formed part of the process, due to significant figures which indicated large-scale fraud. The Officer confirmed that police involvement occurred where necessary, noting that most investigations were managed internally and prosecutions were undertaken under Local Government powers under the Fraud Act. One case was awaiting trial at the Old Bailey, scheduled for next Spring, and two further business rates cases were being prepared for prosecution.
- d) A Member requested further information regarding Social Housing Tenancy Fraud and its interaction with credit reference agencies. The Officer explained that credit reference data was used to review mortgage records, deceased data, and links to other addresses, as well as check whether tenants were listed at different properties. The process generated risk scores and intelligence to identify cases requiring further investigation. Regarding the 532 cases marked as 'nil', it was clarified that no issues were identified by Experian. The Officer further confirmed that the notional savings of £315,278 represented estimated fraud values, such as discounts prevented in right-to-buy fraud cases. For sub-letting cases, a standard London figure of approximately £59,000 was applied.
- e) A Member expressed interest in the outcomes and lessons learned and asked whether issues identified were fed back to the housing teams and shared across the organisation. He noted that if work continued at the same pace without review, progress might be limited. The Officer confirmed that engagement had taken place with the housing allocation team to implement four prevention measures. There was ongoing monthly dialogue with the housing management team to review case outcomes and agree further actions and they were made aware of fraud risks, such as Airbnb-related issues. Training sessions had been scheduled with the housing team for January to address ongoing risks.
- f) The Officer confirmed that where a corporate investigation occurred, reports were submitted to the Director and Head of Service, including a series of recommendations to ensure lessons were learned and acted upon. In response to a Member's question about whether this was reported to Members, the Officer advised that such reporting would take place once a summary report was available.

RESOLVED - That, the report be noted.

7. RISK MANAGEMENT UPDATE

The Committee received a report of the Chief Strategy Officer updating Members on the City of London Corporation's risk management which included the corporate and top rated red departmental risk registers.

The following points were noted:

- a) **Risk titles** - The Deputy Chair commented on the naming of new risks and noted that the titles were not always clear and amending the wording might provide greater clarity. The Chief Strategy Officer responded that this would be raised with risk owners and the Chief Officer Risk Management Group (CORMG). She explained that the current approach to titles and descriptions was intentional, following previous Committee feedback to avoid excessive detail to maintain a clear focus on the risk itself.
- b) **Risk CR35** - A Member sought clarity on risk CR35, Unsustainable Medium-Term Finances – City Fund. They queried whether potential Government proposals on business rates redistribution could affect the current risk score and noted that the target score was set at half the current level, questioning the realism of achieving this by the end of the financial year given the constant trajectory. The Chamberlain advised that by March 2026, more information would be available on transitional relief within the settlement period, which was expected to provide financial cover for the next couple of years.
- c) **Chief Risk Officer Network** - A Member asked whether engagement with the Chief Risk Officer Network would continue following the Chief Strategy Officer's attendance at their launch (hosted by the former Lord Mayor). The Chief Strategy Officer confirmed this and outlined two ways this was taking place: through the City of London Corporation as host, and through engagement with risk practitioners to integrate risk into business decision-making. The Chief Strategy Officer further advised that the Chief Risk Officer Summit would again be hosted by the City of London Corporation in May 2026, with continued input planned.
- d) **Risk CR02** - A Member noted risk CR02, had previously been titled "Loss of Business Support" but was now described as "City Corporation's role in promoting UK FPS." The Member was concerned that the revised title appeared to represent a different risk. The Chief Strategy Officer explained that the changes to the corporate risk wording and rating had been reviewed and agreed by the Chief Officer Risk Management Group. She further confirmed that, at departmental and other risk levels, the wider approach to supporting business remained in place.
- e) **Housing Revenue Account** - The Deputy Chair questioned whether reference to the Housing Revenue Account (HRA) should appear in the

public report. She noted that the risk had first been raised in October 2023 and commented that maintaining the risk between now and March 2026 appeared optimistic. The Chamberlain confirmed that it was appropriate to state in public session that there were three main risks to the HRA, with further detail provided in the non-public section. The three risks were outlined as follows:

- Immediate risk: The HRA was in a fragile position, as evidenced by the accounts, and a robust action plan was in place to address this within the year, including collaborative work with the Executive Director of Children and Community Services and the City Surveyor.
- Medium-term risk: Consideration of actions required to address changes in legislation.
- Wider position: The HRA had been referenced by Members at the Policy and Resources Committee and the Finance Committee to assess its long-term implications.

f) **Risk CR39** - The Chief Strategy Officer reminded Members that, at the previous meeting, it had been noted that CR39 (Recruitment and Retention) was considered a legacy risk and that work had been undertaken to identify the key people-related risks. The Chief People Officer had led this work at both departmental and cross-Corporation level and had been invited to the Committee to provide an update from a risk perspective. Members were advised that the outcomes of this work would begin to appear in future reports.

The Chief People Officer introduced himself to the Committee and noted that CR39 (Recruitment and Retention) had not been reviewed for some time and explained that analysis of voluntary attrition showed a reduction from 9.6% to 9% though this varies across the organisation and should therefore be managed locally, as appropriate. He advised that, subject to discussions with the Corporate Services Committee, he intended to reposition the risk towards organisational change readiness, focusing on culture, change management, and preparing managers and staff for future developments (such as SAP implementation and Ambition 25), rather than concentrating on attrition figures.

A Member requested the latest sickness rates, and the Chief People Officer advised that this was another area where localised reporting would be beneficial, noting that seasonal factors and outdoor roles could affect figures. He reported that the organisational average was 6.4 days lost per FTE over the course of the year (based on a dashboard that was approximately one month old).

RESOLVED – That, the report be noted.

8. INTERNAL AUDIT UPDATE

The Committee received a report of the Group Chief Internal Auditor updating Members on the Internal Audit activity between 1 July 2025 and 30 September 2025.

The following questions were raised during discussion:

- a) A Member requested further information regarding the Internal Audit review of consultancy use. The Member noted that the reported range of £20m–£60m in 2024/25 was significant and observed that this linked to the recommendations made. He also noted that management actions were scheduled for completion by October with a follow-up in November and asked for an update on progress. The Group Chief Internal Auditor confirmed that of the three recommendations made, one had been fully implemented, and progress was being made on the remaining two. He advised that the recommendation relating to the chart of accounts was well advanced and linked to the implementation of the new SAP system and transition to the new ERP platform.
- b) A Member requested clarification on whether a system existed to map consultancy expenditure against internal resources and asked if a skills audit had been undertaken to identify gaps between consultancy provision and in-house capability. The Member queried whether in cases of capacity issues, there was a process for internal training. The Chamberlain explained that the ability to address this effectively required foundational data on roles and responsibilities across the organisation, which would be available through the new SAP system.
- c) The Chief People Officer advised that a strategic workforce planning role would form part of the HR transformation and would be introduced as part of the recruitment drive. He emphasised the importance of data in shaping future workforce planning and confirmed that HR business partners were working to identify the nature of activities undertaken, the skills required, and the most appropriate resourcing approach. Using data would enable informed decisions, such as appointing permanent staff for projects exceeding two years or engaging fixed-term contractors for shorter projects. He also referred to Ambition 2025 and the development of a career framework, explaining that HR was mapping “job families” across the organisation to provide better intelligence.
- d) The Deputy Chair raised concern regarding overdue actions, particularly where some red-rated actions had been outstanding for over a year. Attention was drawn to fire safety at the Barbican and the recent audit, and the Deputy Chair questioned whether these matters should be referred back to the relevant service committees. In response, the Group Chief Internal Auditor confirmed that follow-up work had been undertaken on the fire safety audit and that the team had revisited the Barbican on more than one occasion to review progress in implementing the recommendations. He advised that the next step would be escalation, which would be carried out through the new Insight Report

format to the appropriate service committee, and confirmed that this process would take place shortly.

- e) A Member emphasised the importance of the work and systems being implemented and requested that the Committee receive a report in six months' time capturing progress, identifying any additional risks, and highlighting which mitigations were effective and which were not. The Chief People Officer agreed.

A discussion took place regarding the Internal Audit review on the use of consultants, with particular reference to IR35 compliance. The Group Chief Internal Auditor explained that there was a clear link between consultancy engagements and IR35 requirements, and that due diligence was being undertaken.

The Chairman expressed concern regarding overdue, red-rated recommendations, noting that some implementation target dates dated back to 2024. He requested that the report be amended to include revised dates for all outstanding recommendations together with a summary of the actions taken to address them. The Chairman further requested that the Chairs of the relevant service committees be contacted and confirmed that, should any recommendations remain overdue three months from now, he would invite those Chairs to attend this Committee.

In response, the Chamberlain confirmed that, since publication of the report, further follow-up work had been undertaken and most of the six overdue recommendations for the Chamberlain's department had now been addressed. The Group Chief Internal Auditor added that some work remained outstanding and that discussions were ongoing regarding three revised recommendations, which would reflect the actions taken to date. He advised that recommendations had been reviewed and recast to address the remaining issues, with revised timescales agreed.

The Chairman requested that the Group Chief Internal Auditor send an update to Members in 6 weeks via email regarding the progress on the overdue recommendations.

RESOLVED – That the report be noted.

9. CITY'S ESTATE FINANCIAL STATEMENTS

The Committee considered a report of the Chamberlain detailing the consolidated financial statement for City's Estate, for the year ending 31 March 2025, and the audit findings report. This item was received as a late submission.

The report author introduced the two late items and advised that he would present items 9 and 10 together due to their similarities. Members were informed that the reports had already been considered by the Finance Committee earlier in November and approved for the necessary delegations to sign, subject to review and approval by the Audit and Risk Management

Committee. If Members were content to approve the recommendations, the required signings could proceed. It was highlighted that the key messages from the Finance Committee regarding the City's Estate accounts were to note the overall reduction on the net asset position, which reflected the scale of investment across major programmes and the need to dispose of assets to fund them. Overall, it was conveyed that the reports demonstrated progress.

The Committee discussed the decline in net assets of the City's Estate. The Chamberlain explained that the asset base was being drawn down to fund investment in operational property, which was acceptable during periods of growth but required careful management. She acknowledged that the current level of drawdown was unsustainable and reflected a significant catch-up period following years of underinvestment in operational property.

Auditors from Crowe summarised their findings for Members, noting that the Audit was nearly completed.

Management Accounts:

The Auditors addressed concerns regarding management accounts and recommended that the City Corporation adopt a process for routinely producing them. This recommendation was raised previously and aimed to strengthen top-level controls and provide formal oversight throughout the year.

The Chamberlain confirmed that monthly accounts were provided to all committees and boards, with reports including any internal control weaknesses and audit recommendations but that a year earlier, the team had been operating under capacity and special arrangements had been made for quarterly reporting. However, she reiterated that this was not considered business as usual and emphasised the expectation of monthly reporting going forward.

A discussion took place regarding the length of time taken to address the management accounts issue originally raised two years earlier. The Finance Director explained that the delay was due to operational capacity and a backlog of accounts for the City Fund. Officers also reassured Members that the Corporation does already produce quarterly reporting to Committee and was reporting monthly to Chief Officers.

RESOLVED – That Members,

- Recommend approval of the 2024-25 City's Estate Financial statements, and the financial statements of each of the 9 consolidated charities.
- Requested management accounts were provided at every Committee meeting.

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

The Committee considered a report of the Chamberlain providing an update on the annual reports and financial statements for the 11 Sundry Trust charities for the year ended 31 March 2025.

RESOLVED – That Members,

- Recommend approval to the Chairman and Deputy Chairman of Finance Committee, for signing of the 11 charities presented for the year ended 31 March 2025, for those charities where the Corporation is Trustee;
- Recommend to the Chairman and Deputy Chairman of Finance Committee, the authority to recommend the accounts to the Aldermen for the Emanuel Hospital charity where the Corporation is acting by the Court of Aldermen as the named corporate trustee; and to the individual trustees of the Sir William Coxen Trust Fund and the Samuel Wilson Loan Charity for the year ending 31 March 2025

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

There were no questions.

12. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

There was no other business raised.

13. EXCLUSION OF THE PUBLIC

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

14. NON-PUBLIC MINUTES OF THE PREVIOUS MEETING

RESOLVED: That, the non-public minutes of the previous meeting held on 15 September 2025 be approved as an accurate record, with the ransomware policy shared.

15. RISK MANAGEMENT UPDATE (NON-PUBLIC APPENDIX)

The Committee received the non-public appendix, which was received in conjunction with item 7. The appendix outlined the status of each corporate risk.

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

There were no questions raised.

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

The Committee discussed the one outstanding action list which was at item 4.

The meeting ended at 12.48 pm

Chairman

Contact Officer: Molly Carvill
molly.carvill@cityoflondon.gov.uk

City of London Corporation Committee Report

Committee(s): Audit and Risk Management Committee	Dated: 12 January 2026
Subject: Annual Review of the Terms of Reference of the Audit and Risk Management Committee	Public report: For Decision
This proposal: <ul style="list-style-type: none"> • provides statutory duties • provides business enabling functions 	N/A
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of:	Town Clerk
Report author:	Molly Carvill, Governance Officer

Summary

The annual review of the Audit and Risk Management Committee Terms of Reference enables any proposed changes to be considered in time for the annual reappointment of Committees and Boards by the Court of Common Council. The Terms of Reference for the Audit and Risk Management Committee are attached at Appendix 1 for Members' consideration

Recommendation(s)

Members are asked to:

- Agree that the terms of reference of the Audit and Risk Management Committee, subject to any comments, be approved for submission to the Court of Common Council in April 2026, and that any further changes required in the lead up to the Court's appointment of Committees be delegated to the Town Clerk in consultation with the Chairman and Deputy Chairman;
- Members consider whether any change is required to the frequency of the Committee's meetings.

Appendices

- Appendix 1 – Terms of Reference, Audit and Risk Management Committee

Molly Carvill

Governance Officer
Town Clerk's Department

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AUDIT & RISK MANAGEMENT COMMITTEE

Terms of Reference:

Audit

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

Risk Management

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

Anti-Fraud and Anti-Corruption Arrangements

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

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AUDIT AND RISK MANAGEMENT COMMITTEE – Action Tracker January 2026

Items from meeting held on 17 November 2025		
ITEM	ACTION	Officer and target date
8. Internal Audit Update	Update on the progress for the red-rated, overdue recommendations.	The Group Chief Internal Auditor and the Chamberlain February 2026 – It was suggested that the internal audit report should be updated to reflect new target dates for outstanding recommendations with a summary of actions taken to address them. The updated schedule of overdue recommendations to be circulated to the Committee by email in January 2026. Chairs of the relevant service committees were to be contacted and invited to the March ARM Committee should recommendations remain overdue after 3 months.
9. City's Estate Financial Statements / 10. City's Estate Trust Funds and Sundry Trust Funds Annual Reports and Financial Statements	Update on audit recommendation – management accounts.	The Finance Director and the Chamberlain January 2026 – Auditors recommended that the City Corporation routinely produce management accounts. It was suggested that management accounts are provided at each ARM Committee.
15. Risk Management Update (Non-Public Appendix)	Member Training	The Chamberlain November 2025 – Relay a message to the Digital Services Committee regarding outstanding training.
17. Any Other Business That The Chairman Considers Urgent And Which The Committee Agree Should Be Considered Whilst The Public Are Excluded	External Recruitment	The Chamberlain and Group Chief Internal Auditor January 2026 – it was suggested that a report detailing next steps are brought to the January ARM Committee.

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

This document sets out the details of the meetings planned for the following 12 months, it itemises all anticipated agenda items for the scheduled meetings and also includes references to the Position Statement on the Role and Purpose of the Audit Committee, as published by the Chartered Institute of Public Finance and Accountancy.

23 March 2026	
Work Item	Link to CIPFA Position Statement
Internal Audit Quarter 3 Update Report (information) Regular (quarterly) update from the Group Chief Internal Auditor, covering: <ul style="list-style-type: none">▪ key findings from work completed during the period since the last Committee update (including recommendation follow-up)▪ status update for work in progress	In relation to the authority's internal audit functions: <ul style="list-style-type: none">▪ oversee its independence, objectivity, performance and conformance to professional standards▪ support effective arrangements for internal audit▪ promote the effective use of internal audit within the assurance framework.
2026/27 Proposed Internal Audit Plan	In relation to the authority's internal audit functions: <ul style="list-style-type: none">▪ promote the effective use of internal audit within the assurance framework.
Risk Management Update (information)	Consider the effectiveness of the authority's risk management arrangements. It should understand the risk profile of the organisation and seek assurances that active arrangements are in place on risk-related issues, for both the body and its collaborative arrangements.

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

11 May 2026	
Work Item	Link to CIPFA Position Statement
Internal Audit Quarter 4 Update Report (information) Regular (quarterly) update from the Group Chief Internal Auditor, covering: <ul style="list-style-type: none">▪ key findings from work completed during the period since the last Committee update (including recommendation follow-up)▪ status update for work in progress	In relation to the authority's internal audit functions: <ul style="list-style-type: none">▪ oversee its independence, objectivity, performance and conformance to professional standards▪ support effective arrangements for internal audit▪ promote the effective use of internal audit within the assurance framework.
Risk Management Update (information)	Consider the effectiveness of the authority's risk management arrangements. It should understand the risk profile of the organisation and seek assurances that active arrangements are in place on risk-related issues, for both the body and its collaborative arrangements.
Annual Report on Risk Management (Information) <ul style="list-style-type: none">• Annual update on the Risk Management Strategy	Consider the effectiveness of the authority's risk management arrangements. It should understand the risk profile of the organisation and seek assurances that active arrangements are in place on risk-related issues, for both the body and its collaborative arrangements.
Group Chief Internal Auditor Annual Report (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.
Counter Fraud and Investigations 12 Month Report (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 managing the authority's exposure to the risks of fraud and corruption.

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

Draft Annual Governance Statement (decision) In accordance with the Accounts and Audit Regulations (2015), the Committee should review and feed into the Annual Governance Statement. Note that this is a requirement only for City Fund activity.	Support a comprehensive understanding of governance across the organisation and among all those charged with governance, fulfilling the principles of good governance.
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6 July 2026	
Work Item	Link to CIPFA Position Statement
Annual Report of the Committee (decision) To be prepared following a self-evaluation of the effectiveness of the Committee, to be approved by the Committee before presentation to the Court of Common Council.	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.
Risk Management Update (information)	Consider the effectiveness of the authority's risk management arrangements. It should understand the risk profile of the organisation and seek assurances that active arrangements are in place on risk-related issues, for both the body and its collaborative arrangements.
Risk Appetite Update	Consider the effectiveness of the authority's risk management arrangements. It should understand the risk profile of the organisation and seek assurances that active arrangements are in place on risk-related issues, for both the body and its collaborative arrangements.
City Fund and Pension Fund Draft Statement of Accounts	Support the maintenance of effective arrangements for financial reporting and review the statutory statements of account and any reports that accompany them.

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

14 September 2026	
Work Item	Link to CIPFA Position Statement
<p>Internal Audit Quarter 1 Update Report (information)</p> <p>Regular (quarterly) update from the Group Chief Internal Auditor, covering:</p> <ul style="list-style-type: none"> ▪ key findings from work completed during the period since the last Committee update (including recommendation follow-up) ▪ status update for work in progress 	<p>In relation to the authority's internal audit functions:</p> <ul style="list-style-type: none"> ▪ oversee its independence, objectivity, performance and conformance to professional standards ▪ support effective arrangements for internal audit ▪ promote the effective use of internal audit within the assurance framework.
<p>Risk Management Update (information)</p>	<p>Consider the effectiveness of the authority's risk management arrangements. It should understand the risk profile of the organisation and seek assurances that active arrangements are in place on risk-related issues, for both the body and its collaborative arrangements.</p>
<p>City Fund and Pension Fund – Statement of Accounts, Audit Findings and external auditor's Annual Audit Report (decision)</p> <p>Annual review of the Financial Statements for City Fund</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>

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

	Contribute to the operation of efficient and effective external audit arrangements, supporting the independence of auditors and promoting audit quality.
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Audit and Risk Management Committee - Indicative Work Programme for the Committee (Linked to CIPFA Audit Committees Position Statement 2022)

02 November 2026	
Work Item	Link to CIPFA Position Statement
<p>Internal Audit Quarter 2 Update Report (information)</p> <p>Regular (quarterly) update from the Group Chief Internal Auditor, covering:</p> <ul style="list-style-type: none"> ▪ key findings from work completed during the period since the last Committee update (including recommendation follow-up) ▪ status update for work in progress 	<p>In relation to the authority's internal audit functions:</p> <ul style="list-style-type: none"> ▪ oversee its independence, objectivity, performance and conformance to professional standards ▪ support effective arrangements for internal audit ▪ promote the effective use of internal audit within the assurance framework.
<p>Risk Management Update (information)</p>	<p>Consider the effectiveness of the authority's risk management arrangements. It should understand the risk profile of the organisation and seek assurances that active arrangements are in place on risk-related issues, for both the body and its collaborative arrangements.</p>
<p>Risk Appetite Update</p>	<p>Consider the effectiveness of the authority's risk management arrangements. It should understand the risk profile of the organisation and seek assurances that active arrangements are in place on risk-related issues, for both the body and its collaborative arrangements.</p>
<p>Counter Fraud and Investigations 6 Month Report (information)</p> <p>Report summarising the outcomes from Counter Fraud and Investigation activity for the 6 months from April to September.</p>	<p>Monitor the effectiveness of the system of internal control, including arrangements for financial management, ensuring value for money, supporting standards and ethics and managing the authority's exposure to the risks of fraud and corruption.</p>

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

Draft City's Estate and Charities Accounts (decision)

Annual review of the Financial Statements for City's Estate

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.

Support the maintenance of effective arrangements for financial reporting and review the statutory statements of account and any reports that accompany them.

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.

Contribute to the operation of efficient and effective external audit arrangements, supporting the independence of auditors and promoting audit quality.

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

February 2027	
Work Item	Link to CIPFA Position Statement
Terms of Reference of the Committee (information) Annual review of the Terms of Reference of the Committee, giving due regard to relevant legislation and professional guidance.	Consider the arrangements in place to secure adequate assurance across the body's full range of operations and collaborations with other entities.
Internal Audit Quarter 3 Update Report (information) Regular (quarterly) update from the Group Chief Internal Auditor, covering: <ul style="list-style-type: none">▪ key findings from work completed during the period since the last Committee update (including recommendation follow-up)▪ status update for work in progress	In relation to the authority's internal audit functions: <ul style="list-style-type: none">▪ oversee its independence, objectivity, performance and conformance to professional standards▪ support effective arrangements for internal audit▪ promote the effective use of internal audit within the assurance framework.
2027/28 Proposed Internal Audit Plan	In relation to the authority's internal audit functions: <ul style="list-style-type: none">▪ promote the effective use of internal audit within the assurance framework.
Internal Audit Charter (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">▪ oversee its independence, objectivity, performance and conformance to professional standards▪ support effective arrangements for internal audit▪ promote the effective use of internal audit within the assurance framework.

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

Risk Management Update (information)	Consider the effectiveness of the authority's risk management arrangements. It should understand the risk profile of the organisation and seek assurances that active arrangements are in place on risk-related issues, for both the body and its collaborative arrangements.
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Additional Items to consider at the appropriate time in the Committee Calendar	
Work Item	Link to CIPFA Position Statement
Draft Bridge House Estates Accounts (Information) Annual Review of the Financial Statements for the Bridge House Estates.	<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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Agenda Item 7

Committee(s): Audit and Risk Management Committee– For decision	Dated: 12/01/2026
Subject: Recruiting External Representatives to the Audit & Risk Management Committee	Public report: For Decision
This proposal: <ul style="list-style-type: none"> • provides statutory duties • provides business enabling functions 	- Enables an improved scrutiny function overseeing audit and risk
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	N/A
What is the source of Funding?	Approved Budgets
Has this Funding Source been agreed with the Chamberlain's Department?	Yes
Report of:	The Chamberlain
Report author:	Matt Lock - Group Chief Internal Auditor; David Mendoza-Wolfson - Head of Chamberlain's Office

Summary

Following multiple unsuccessful campaigns to recruit external representatives to the Audit and Risk Committee, a new approach is being recommended to open nominations, with no close date, until the roles are filled – utilising preliminary screening conversations before panel interviews.

Recommendation

Members are asked to:

- Endorse *Option A*, to recruit external representatives to the Committee on an open, rolling basis, filling vacancies as suitable candidates apply – not within a fixed timeframe.

Main Report

Background

1. As per its Terms of Reference, the Audit & Risk Management Committee's Membership should include "three external representatives [...] with no voting rights".
2. For a Committee to be quorate at least one external representative must be present.
3. There has been a vacant external seat on the Committee for the entirety of the 2025/26 year to date, with two failed attempts to recruit a candidate to the role.
4. Officers were tasked with investigating the vacancy and reporting directly to the Grand Committee. As such, sub-Committee approval is not being sought in this instance.

Current Position

5. The Committee is expecting another vacancy to open at the beginning of the 2026/27 civic year.

Options

6. To minimise the risk of meetings not being quorate, continuing with a vacancy is not a realistically viable option, particularly in light of the likely additional vacancy from April 2026.
7. Therefore, in order to fill the vacancy, there are two viable options
 - a. Option A: Launch an open, rolling recruitment for external representatives. This option recognises that recruiting an external representative to the Committee is different to recruiting an Officer, and that a standard recruitment approach has not worked to date. This approach would enable a screening conversation with applicants to informally check their suitability before convening the panel interview. This would also be supported by the City Corporation's in-house 'head-hunter' service, and a different, more active approach by officers in identifying potential candidates.
 - b. Option B: Run another, more targeted, campaign. The City Corporation could hire specific head-hunters to lead a 'normal', time-limited recruitment campaign. Whilst this may be more effective than the previous, unsuccessful campaigns, it would be a more expensive endeavour than Option A.

Proposals

8. Officers recommend Option A. This approach acknowledges that recruiting an external representative requires a different strategy to that of an Officer, and that previous standard campaigns have proven unsuccessful. A further advantage of this approach is that it allows for continuous recruitment toward the anticipated 2026 vacancy without necessitating a second, separate campaign.

9. This approach would require semi-frequent checks to ensure that candidates could be contacted on a regular basis to notify of advancement or rejection.
10. This campaign can be managed internally, with occasional posts on LinkedIn and other means of advertising vacancies explored if the direct approaches via the specialist recruitment team are unsuccessful.
11. The introduction of remuneration is not being proposed, reasonable expenses reimbursed in line with the City Corporation's *Protocol For The Provision Of Transport Support For Elected Members* would be available to external representatives to the Committee, as well as other benefits such as affiliate membership to the Guildhall Club.

Corporate & Strategic Implications –

Strategic implications – Quorate meetings of the Audit & Risk Management are required to carry out essential functions.

Financial implications – Normal recruitment costs and reasonable expenses following successful recruitment

Resource implications – Officer time in managing an open recruitment campaign

Legal implications - None

Risk implications - Unsuccessful recruitment could lead to inquorate meetings, affecting the monitoring of the City Corporation's risk management strategy and assurance framework.

Equalities implications – Under the Equality Act 2010, all public bodies have a duty to ensure that when exercising their functions they have due regard to the need to advance equality of opportunity between people who share a protected characteristic and to take steps to meet the needs of people with certain protected characteristics where these are different from the needs of other people and encourage people with certain protected characteristics to participate in public life or in other activities where their participation is disproportionately low. Individuals from all backgrounds and protected groups would be welcome to apply, and the proposals contained in this report do not have any potential negative impact on a particular group of people based on their protected characteristics.

Climate implications - None

Security implications - None

Conclusion

12. Following vacancies opening on the Committee and unsuccessful recruitment campaigns, Members are asked to endorse *Option A* to launch an open recruitment campaign for external representatives to the Audit & Risk Management Committee. This campaign would have no set close date, remaining open until there are no external vacancies on the Committee.

Matt Lock
Group Chief Internal Auditor
E: matt.lock@cityoflondon.gov.uk

David Mendoza-Wolfson
Head of Chamberlain's Office
E: david.mendoza-wolfson@cityoflondon.gov.uk

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City of London Corporation Committee Report

Committee(s): Audit and Risk Management Committee – For Information	Dated: 12/01/2026
Subject: Risk Management Update	Public report: For Information
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.	Corporate Risk Management
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of:	Dionne Corradine, Chief Strategy Officer
Report author:	Olivia Plunkett, Corporate Strategy Officer

Summary

Since the last report to Committee in November 2025, the City Corporation has continued to advance its risk management framework through the implementation of a new risk appetite approach, with most corporate risks now assigned appetite levels. Delivery of the Risk Management Strategy progressed during this time through enhancing organisational understanding via extended leadership engagement, aligning risk with enabling activities across the organisation, development of a 'risk universe' for the next financial year and expanding resources, such as Gartner licences and intranet tutorials. The detailed corporate and summary top red departmental risk registers summaries are attached at Appendices 1 and 2 respectively. Risk appetite for corporate risks is outlined in Appendix 3.

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. Risk appetite for corporate risks is outlined in Appendix 3.
- That since the previous update:
 - The number of corporate risks has remained at 12 with no score changes.
 - The number of departmental red risks has remained at 15 with no score changes.
 - Only one corporate risk remains to have risk appetite set.

Main Report

Risk Activity – Process and Culture

1. Progress is ongoing to implement the new risk appetite approach. Each corporate risk has been assigned an appetite level by the relevant service committee, with one remaining to be completed by the end of January 2026. An overview of the current risk appetite landscape is provided in Appendix 3 (non-public).
2. We continue to strengthen risk management knowledge across the City Corporation. The latest Chief Officer Risk Management Group (CORMG) meeting was extended to the Executive Leadership Board to focus on risk appetite analysis and reporting, the understanding of which is critical to achieving corporate outcomes. Chief Officers also discussed updates to the corporate risk register (see para 13) and Audit and Risk Management Committee feedback.
3. Bespoke training is being developed for Chief Officers and Heads of Profession. Risk management resources have been expanded for colleagues through provision of Gartner General News and Insight Licenses to strengthen cross-functional understanding and capabilities. Combined with CoLC intranet video tutorials and guides, this reflects our commitment to building a comprehensive and accessible risk management knowledge hub.
4. Work is ongoing to address issues vs risks, with development and delivery (next financial year) of the new 'risk universe' approach. The current focus ensures corporate risks meet organisation needs, including highlighting and developing new risks as required continues (see para 13).
5. To ensure consistent implementation and alignment of risk management with other functions, we have reviewed draft business plans, sharing risk guidance and monitoring Ideagen. We are also engaging with the Portfolio/Project Management Team to ensure CORA software aligns with the City Corporation's corporate risk framework.

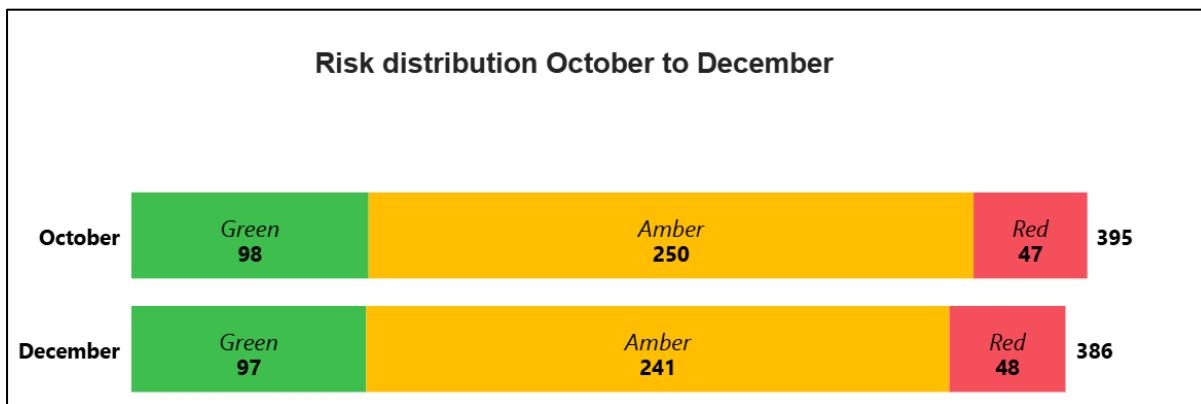
Current Position

6. 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).
7. The corporate and red departmental risk registers were reviewed by the CORMG and the Executive Leadership Board on 24 November 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).
8. 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,

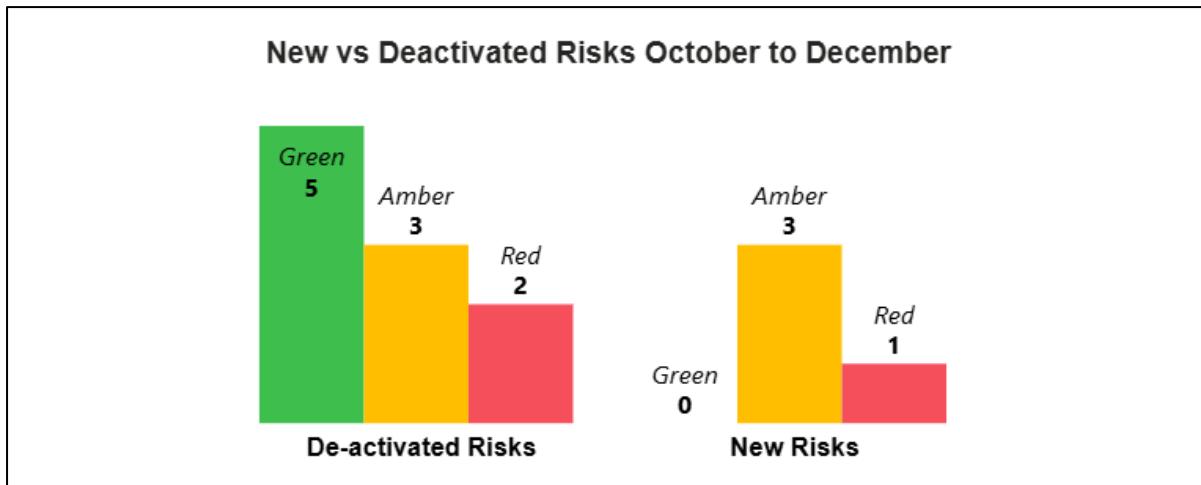
the register continues to be refined, with duplicate or legacy incomplete entries being cleared - these removals are not reflected in the deactivation table below (Table 1) but are captured within the overall risk distribution (Graphic 1).¹

		Deactivated risks	New risks
By RAG rating	Red	2	1
	Amber	3	3
	Green	5	0
Total		10	4
By Risk Level	Departmental	4	1
	Service	6	3
	Programme	0	0
	N/A	0	0

Table 1: October – December 2025: New vs Deactivated risks by RAG rating and Risk level



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

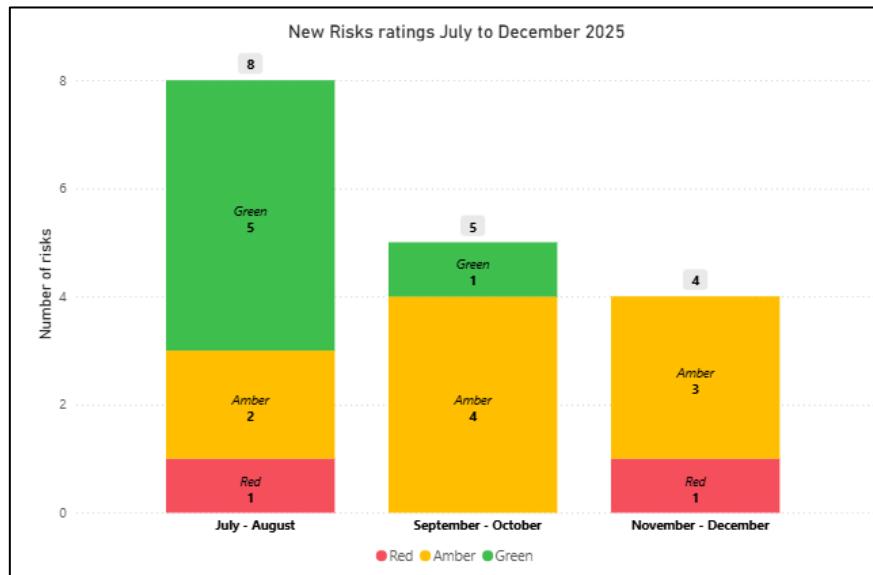


Graphic 2: October – December 2025: New vs Deactivated Risks by RAG Rating on Ideagen

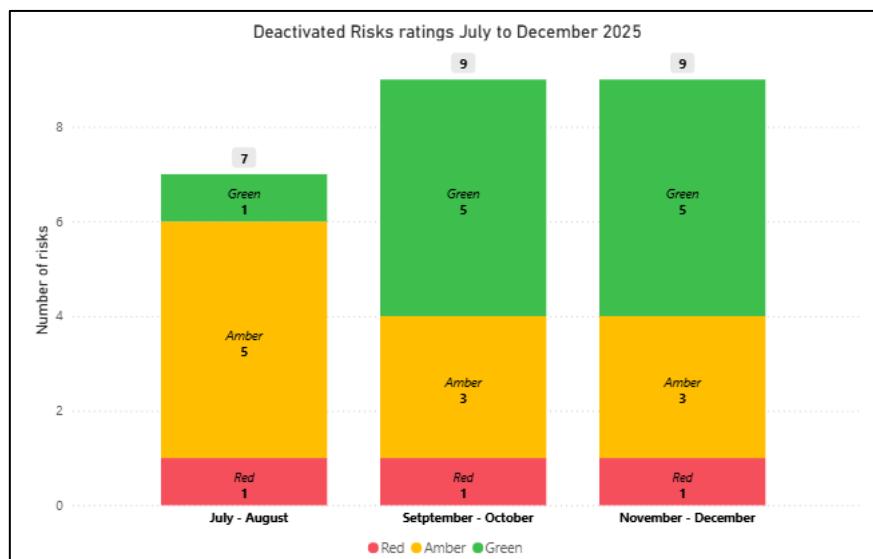
9. Graphic 3 and 4 below, demonstrates tracking of new vs deactivated risks from July to December 2025. The risk register is typically seeing a roughly equivalent number of amber and red risks moved on and off the register, with green risks

¹ While most risks are deactivated (remaining in the background of the system) for audit purposes, some risks are deleted and completely removed from the system including risks that were incorrectly uploaded or uploaded in duplicates. The difference between the deactivated and deleted risks creates the slight misalignment between table 1 and graphic 1.

often deactivated at a higher frequency than they are added. As our risk reporting continues to iterate, further methods or measuring and demonstrating risk activity will continue to be added, including the development of risk score change tracking across all levels.



Graphic 3: New risks July to December by RAG Rating on Ideagen



Graphic 4: Deactivated risks July to December by RAG Rating on Ideagen

Corporate risks

10. There are currently 12 corporate risks on the corporate risk register (4 Red and 8 Amber). There have been no score changes to any corporate risks since the last report to the Committee. A detailed report of all corporate risks can be found in appendix 1 and risk appetite for corporate risks is outlined in appendix 3.
11. The RAG matrices below show the distribution of corporate risks as of 29 December 2025 (Table 3) and 27 October 2025 (Table 4):

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

Table 3: December 2025 Corporate Risk Heatmap

Table 4: October 2025 Corporate Risk heatmap

12. The highest scoring corporate risk is *CR16 Information Security* at **Red 24** (Impact 8 Extreme x Likelihood 3 Possible). Alongside ongoing mitigation efforts, this risk and others related to our data landscape are being reviewed more broadly (see para 13 for details).

13. Work has been ongoing to ensure that corporate risks remain aligned with current and emerging contexts. Priority areas for review and revision to the corporate risk register in Q4 are:

As reported verbally to the Committee at the November meeting:

- a) *CR16 Information Security* is being clarified to ensure the risk is appropriately framed for cyber security and the mitigations captured.
- b) Work continues to update HR risks, including drafting a new Corporate Risk relating to change management.

Separately, following the CORMG meeting in November:

- c) Further work is being carried out on a wider data corporate risk to ensure that risks to this area are identified and managed at the right level.
- d) *CR37 Physical Assets* is being reframed to focus on operating model, funding, and prioritisation.
- e) A risk to explore a potential cross-cutting gap for organisational effectiveness is being drawn up for discussion and review by CORMG.

14. CORMG reviewed whether a corporate-level EEDI risk was required. The group was assured that the Corporate EEDI function is stable with the Head of Profession having oversight across the City Corporation and Institutions. Robust mitigations are in place with local and functional EEDI risks managed at departmental level. There was agreement that EEDI should continue to be used as a lens to consider all risks.

15. *CR42 Housing Revenue Account Financials* was discussed at the December Finance Committee and work is ongoing to ensure that the risk and associated mitigations effectively address the key challenges and threats including commissioning an efficiency review and exploring other funding options.

16. Table 5 below shows a summary of all CoLC corporate risks as of 29 December 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	11-Dec-2025	16	31-Oct-2026	Constant	Reduce
CR35	Unsustainable Medium-Term Finances - City Fund	Likely	Major	16	Red	19-Dec-2025	8	31-Mar-2026	Constant	Reduce
CR36	Protective Security	Unlikely	Extreme	16	Red	11-Dec-2025	16	31-Jul-2026	Constant	Accept
CR42	Housing Revenue Account Financials (formerly CHB 002)	Likely	Major	16	Red	19-Dec-2025	8	30-Mar-2026	Constant	Reduce
CR01	Resilience Risk	Possible	Major	12	Amber	12-Dec-2025	8	31-Jan-2026	Constant	Reduce
CR09	Health, Safety and Fire Risk Management System	Possible	Major	12	Amber	12-Dec-2025	4	29-Mar-2029	Constant	Reduce
CR30	Impact of Climate Change	Possible	Major	12	Amber	13-Nov-2025	6	31-Mar-2027	Constant	Reduce
CR33	Project portfolio strategic impact and/or financial value	Possible	Major	12	Amber	19-Dec-2025	8	31-Mar-2029	Constant	Reduce
CR37	Maintenance and Renewal of Corporate Physical Operational Assets (excluding housing assets)	Possible	Major	12	Amber	12-Dec-2025	8	31-Mar-2029	Constant	Reduce
CR38	Unsustainable Medium-Term Finances - City's Estate	Possible	Major	12	Amber	19-Dec-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: December 2025: List of Current Corporate Risks by Current Risk Score

Red Departmental Risks

17. There are currently 15 departmental red risks. Since the last report to the Committee there have been no changes (additions, escalations or de-escalations) to the red risks on the register, nor any score change to the risks. A summary of red departmental risks can be found in appendix 2.

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

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

Appendices

- Appendix 1: Corporate 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 - Corporate Risks - Detailed Report

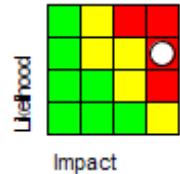
29 December 2025

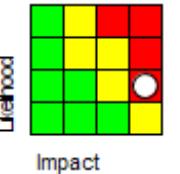


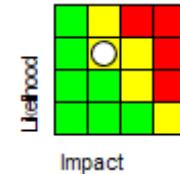
Rows are sorted by Risk Score

Risk Code	CR16	Risk Title	Information Security (formerly CHB IT 030)
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Page 43	Cause: Breach of City of London Corporation IT Systems resulting in unauthorised access to data by internal or external sources.
	Event: The City Corporation does not adequately prepare, maintain robust (and where appropriate improve) effective IT security systems and procedures.
	Effect: a) Failure of all or part of the IT Infrastructure with associated business systems failures. b) Harm to individuals. c) A breach of legislation such as the Data Protection Act 2018 and UK-GDPR. d) Incurrence of a monetary penalty. e) Corruption of data. f) Reputational damage to City of London Corporation as an effective body.

Current Risk		
	Likelihood	Impact
Risk Score	Likelihood	Impact
24	Possible	Extreme
Red	Trend	Constant

Target Risk		
	Risk Score	Likelihood
Risk Score	Likelihood	Impact
16	Unlikely	Extreme
Red	Target Date	31-Oct-2026

Original Risk		
	Risk Score	Likelihood
Risk Score	Likelihood	Impact
6	Possible	Serious
Amber	Creation Date	10-May-2019

Latest Note Page 44	<p>We have implemented several improvements to our security posture and have a plan for future works. A decision was made to define a minimum-security baseline for all parts of the corporation, and this has been agreed as NCSC's Cyber Assurance Framework. We have recently received grant funding in order to progress this work.</p> <p>The security service provided by Agilisys has now been brought in-house, giving greater control and visibility over Security controls.</p> <p>We are committed to increasing our Secure Score month on month, and this is now being reported to Digital Services Committee for the Corporation as well as our Institutions.</p> <p>We have implemented a 24/7 Cyber Security Operations Centre.</p> <p>We have received approval for the recruitment of a CISO and are working with a partner to define what the team structure should look like. The CISO and team will be responsible for keeping the wider organisation safe. There has been agreement for this to be funded, and the recruitment will commence before the end of the year.</p> <p>We are hoping to recruit a temporary resource initially, with the opportunity for a temp-to-perm recruitment</p>	11-Dec-2025

Risk Level	Corporate	Risk Approach	Reduce
Department	Chamberlain's	Risk Owner	Caroline Al-Beyerty

Associated Actions

Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CR16r Access control monitoring	Monitoring access control systems and processes to ensure that only authorised	Role based access controls in place. PIM manages the roles. Audit and Review is not yet formalised; this is an operational risk.	11-Dec-2025	CJ Chapman	31-Dec-2025

	users have access to sensitive information	<p>A review on Admin Access has been completed, and a number of admins sitting outside of the main IT team have had their access revoked.</p> <p>We are now reducing the amount of time Local Admins have when requesting rights through PIM.</p>			
CR16s Incident response	Developing and implementing a plan to respond to any security incidents that occur.	<p>Controls are in place to manage the access control to the estate; improvements have been made in the application of multifactor authentication. However, the escalation and acceptance of privileged accounts remains within the IT department and is not subject to independent scrutiny.</p> <p>Steps for implementation</p> <p>Assessment of Current Practices Development of an Independent Oversight Protocol Implementation of a Formal Privileged Access Policy Regular Audits and Reviews Segregation of Duties Training and Awareness Enhanced Authentication and Monitoring for Privileged Accounts Feedback and Continuous Improvement</p> <p>By implementing these steps, the City can strengthen its control over privileged accounts, ensuring they are granted</p>	11-Dec-2025	Zakki Ghauri	01-Apr-2026

		<p>appropriately and are subject to rigorous and independent scrutiny.</p> <p>We will be asking a third party to run a review on our incident plans. This is expected to take place in the new year.</p>			
CR16t Security information and event management (SIEM)	Using software tools to collect and analyse data from various security sources to detect and respond to security incidents.	Tooling is in place but resources to review, analyse and action remain outstanding. Our SOC performs much of the remediation activity but some investigations are still with internal teams and require resourcing. We continue to configure Sentinel to improve the effectiveness of the alerts. Currently 51% of alerts are True Positives. We hope this will continue to increase and in effect mean fewer alerts which need investigation will come to the team.	05-Dec-2025	CJ Chapman	30-Apr-2026
CR16v Security Baseline assessment – COL/COLP/In stitutions	Security Baseline assessment – COL/COLP/Institutions	We have secured a third party to assist with the CAF assessment for COL. They will act in an advisory position. The aim being to complete an A and D assessment initially looking at the Corporation as a whole. Later B and C assessments will be conducted for individual applications. This is funded by the Local Digital grant provided for completing our CAF readiness.	10-Dec-2025	CJ Chapman	31-Mar-2026
CR16w Cyber Security Improvement Programme	Cyber Security Improvement Programme	In ongoing action to mitigate this risk, agreement has been made to implement a Cyber Security Improvement Programme, consisting of:	11-Dec-2025	Zakki Ghauri	31-Oct-2026

		<p>The appointment of a cross-Corporation CISO who will be responsible for Cyber Security across the Corporation and our Institutions. Investigating having a single Cyber Security team that works across the wider organisation. This work will be commenced in August, and a report has been produced recommending a team structure, as well as some key roles.</p>			
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Risk Code	CR35	Risk Title	<i>Unsustainable Medium Term Finances - City Fund</i>
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Description	<p>Causes: Persistent high inflation, as reported and forecast by the Office for Budget Responsibility. Aging estate crystallising high levels of expenditure over short time period, putting pressure on Reserves. Reduction in rental income from the property investment portfolio to support Major Projects programmes. Anticipated reductions in public sector funding (local government and Police), escalating demands (both revenue and capital), and an ambitious program for major project delivery pose a threat to sustaining the Square Mile's vibrancy and growth.</p> <p>The Police Transform program fails to achieve anticipated budget mitigations outlined in the MTFP.</p> <p>Event: The failure to manage financial pressures within the fiscal year and achieve sustainable savings as planned, or to boost income generation to address the Corporation's projected medium-term financial deficit.</p> <p>Effect: Inability to establish a balanced budget, which is a statutory requirement for the City Fund. The City of London Corporation's reputation could suffer due to failure to meet financial objectives or the necessity to curtail services provided to businesses and the community.</p> <p>Challenges in executing the capital program and major projects within affordable limits.</p>

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Current Risk	 Likelihood Impact	
	Risk Score Likelihood Impact	
16	Likely	Major
Red	Trend	Constant

Target Risk	 Likelihood Impact	
	Risk Score Likelihood Impact	
8	Unlikely	Major
Amber	Target Date	31-Mar-2026

Original Risk	 Likelihood Impact	
	Risk Score Likelihood Impact	
24	Possible	Extreme
Red	Creation Date	19-Jun-2020

Latest Note	The Government have now released the provisional Local Government Settlement that includes the Fair Funding 2.0 and Business Rate reset in April 2026. While other Local Authorities have a three-year funding settlement from 26/27 to 28/29 with allocations driven primarily by deprivation data. This is not the case for the City, which	19-Dec-2025
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has been given a one year settlement. This combined with the reduction in weighting for daily commuters has meant that the assessment of need for the City Corporation has significantly reduced from the proposals consulted on over the summer. The City will also get transitional relief for one-year 2026/27 which is the combined amount the City would have received over the three years. The impact on City Fund means it reaches the a cliff edge sooner than 29/30 which had been the position to-date. The rationale given for this change is equity and value for money – distributing transitional relief in line with need and that the City is an outlier on spending power per head.

Business Rate growth will continue to be retained so that income stream will be key to supporting the City Fund MTFP moving forward. In addition, the Secretary of State is removing the council tax referendum threshold for the City and 5 other Local Authorities in 27/28 and 28/29. The 5% remains in place for 2026/27. Whilst council tax is a local decision, core grant will assume that we levy above the 5% during 27/28 and 28/29.

Inflation rates have stabilised, but are still above the government target of 2%, these continue to be monitored quarterly and consideration of an inflation contingency is to be maintained in 2026/27 depending on the availability of carry forwards from 25/26 underspends. Ongoing pressures on adult social care, children services, security and policing continue and are addressed through increase in taxes and business rates premium. The 26/27 MTFP also includes funding to address gaps within the Housing Revenue Account (HRA) capital programme. Much of this spend is after the MTFP period but ensuring suitable resources are available when needed is being factored into the latest position.

The medium-term financial plan includes:

- Reprofiling of remainder of the £133m cyclical works programme
- Additional funding for the HRA capital programme
- Funding strategy identifies where best to bring third party capital into surplus operational property opportunities, reducing demand on own Reserves.
- Quarterly monitoring of capital programme against budgets, monthly monitoring on the major projects
- Securing income generation opportunities.

The pressures outlined reinforce the need in developing a savings programme aligned with the Town Clerk's Fantastic Five Years, supporting organisational excellence, focusing on efficiencies and transformation across

	services. This is needed to ensure operational budgets remain in-line with available funding for both City Fund and City's Estate.	
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Risk Level	Corporate	Risk Approach	Reduce
Department	Chamberlain's	Risk Owner	Caroline Al-Beyerty

Associated Actions

Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CR35a Impact of inflation Page 50	Monitoring the impact of inflationary pressures (including pressures on energy costs) and construction inflation impacts on capex programme • Use of inflation contingency	Regular monitoring the office of budget responsibility's inflation forecasts, The Consumer Prices Index (CPI) rose by 3.2% in the 12 months to November 2025, down from 3.6% in the 12 months to October (source Office for National Statistics). Identify areas that are forecasting to exceed budget envelope due to inflation increases.	19-Dec-2025	Sonia Virdee	31-Mar-2026
CR35c Major Projects	Remain within the financial envelopes approved for major projects.	Monthly update on major projects forecasts and issues arising. Major projects are presented monthly to the Chamberlain's Assurance Board with an update to the Portfolio Board chaired by the Town Clerk/Chief Executive. Regular reporting to Capital Buildings Board, Finance Committee, and Policy and Resources Committee.	12-Dec-2025	Sonia Virdee	31-Mar-2029

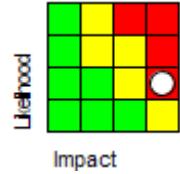
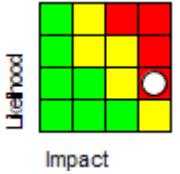
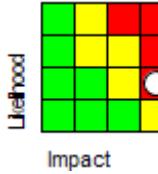
		<p>All projects are currently forecast to be completed within budget, though there remain risks to funding and costs, particularly relating to SSD/FPEP, which will continue to be reviewed.</p>			
CR35f Achievement of current Savings Programme Page 51	<p>Delivering the current savings programme and securing permanent year-on-year savings (including Police Authority)</p> <ul style="list-style-type: none"> • Develop income generation opportunities 	<p>Court of Common Council, in March 2025 reaffirmed the profiling of remaining fundamental review savings.</p> <p>Ensure income generation schemes are sustainable and on-going opportunities are explored, these include but not limited to events across the Corporation, Advertising and sponsorship, Filming inside and outside the square mile, Retail opportunities and Fees and Charges. An Income Generation Working Party has been established to recommend direction, momentum and prioritisation on income generation opportunities. This coupled with 2025 Star Chamber outputs will provide a cross-corporation programme to deliver.</p> <p>Pressures and mitigations are being recorded at a more granular level to improve the tracking and reporting on savings during the year, this information has been incorporated into the budget monitoring reports to this committee to help inform Members of key</p>	19-Dec-2025	Alistair Cook; Sonia Virdee; Genine Whitehorne	31-Mar-2026

	<p>risks and progress. An update on the savings was reviewed by the Efficiency and Performance Working Party at its June meeting with a further update planned in the New Year. One of the outcomes was to review how we inform Committee Chairs on City Funds' overall position. This was addressed in an informal Member briefing session on 16th July along with Members receiving a briefing pack at its Policy and Resource Away Day.</p> <p>Savings programmes/initiatives will continue to be considered during the 2025/26 financial year in line with the Town Clerk's Fantastic Five Years with the aim to deliver the plan by April 2026.</p> <p>Officer Star Chambers led by the Town Clerk have been held for key areas under pressure. These have helped to identify plans and proposals to bring those areas currently overspending back within their budget envelopes over the MTFP period. Moving forward there now also needs to be an identification of opportunities across the Corporation to generate savings that will reduce the bottom line position to further support the financial sustainability and this will need to be delivered for the 27/28 budget.</p>		
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CR35p Plans in place to reduce future deficits	Plans in place to reduce future deficits.	<p>The Government has set the Business Rate reset for April 2026.</p> <p>The focus of the Star Chamber meetings provided an opportunity to increase the attention on efficiencies, preventative approaches, aligning to strategic priorities as well as the current income generation strategies. The second round during September-October has finalised and confirm the value of proposals identified by Chief Officers. Although savings have been found this has just addressed on-going pressures.</p>	19-Dec-2025	Sonia Virdee; Genine Whitehorne	31-Mar-2026
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Risk Code	CR36	Risk Title	Protective Security
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Description	<p>Cause: Lack of appropriate governance, inadequate security risk assessments, prioritisation, and mitigation plans. Inadequate, poorly maintained or time expired security infrastructure and policies; lack of security culture and protective security mitigation; poor training, inadequate vetting, insufficient staff.</p> <p>Event: Security of an operational property and event space is breached, be that internal threat, protest and/or terrorist attack. Publicly accessible areas for which the Corporation are responsible for are subject to an undisrupted Terrorist attack.</p> <p>Effect: Injury or potential loss of life caused by an undisrupted attack, unauthorised access to our estate by criminals/protestors/terrorists; disruption of business/ high profile events; reputational damage.</p>
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Current Risk		Target Risk		Original Risk	
Risk Score	Likelihood	Impact	Risk Score	Likelihood	Impact
54	16	Unlikely	16	Unlikely	Extreme
Red	Trend	Constant	Red	Target Date	31-Jul-2026
				Risk Score	Likelihood
				16	Unlikely
				Red	Creation Date
				10-Jan-2022	

Latest Note	All work streams continue to be active, with subgroups dealing and reporting back to SSB. Protect people security board is now in place looking at internal security culture and vetting. Protect UK has launched ACT for Local Authorities to which departments have now completed the assessment, and this is reported into SSB. Multiple high profile security events have taken place and debriefs in action.	11-Dec-2025
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Risk Level	Corporate	Risk Approach	Accept
Department	Town Clerk's	Risk Owner	Gregory Moore; Richard Woolford

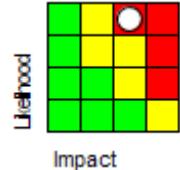
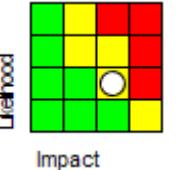
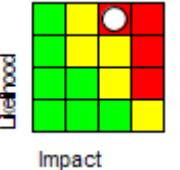
Associated Actions

Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CR36c Command and Control	Incident/Event/Protest Command	Ongoing CPD planning for all Gold and Silver commanders continues. Supported by independent CCA legal Expert and Crisis Communications and Humanitarian experts. In line with preparation for Martyn's Law ongoing testing of Protect Plans are in place. There is ongoing review and partnership work with DCMS and partners for future High-Profile events.	11-Dec-2025	Richard Woolford	31-Jul-2026
CR36d Prevent	Prevent	Prevent continues to be monitored across COLC in support of COLP. This is addressed within the governance board and updates to SSB.	11-Dec-2025	Philip Connor	31-Jul-2026
CR36f City of London Corporation Buildings	Protect	PSAB continues to monitor threat and risk and mitigation. This board leads on the Terrorism (Protection of Premises) Bill requirements, in partnership with COLP. VSAT and Ongoing reviews are monitored in this meeting looking at various attack methodology. In line with preparation for Martyn's Law ongoing testing of Protect Plans are in place.	11-Dec-2025	Neil Evans	31-Jul-2026
CR36g Protect Public Realm Board	Protect	Partnership working under the umbrella of the Public Realm Protect Board remains crucial, with the City Corporation working alongside colleagues at the City Police and TFL to identify risk and to consider proportionate mitigations.	11-Dec-2025	Ian Hughes	31-Jul-2026

	<p>The board's ongoing focus remains new public spaces planning development and the likely implications from the upcoming legislation. Monitored at SSB.</p> <p>The applications and use of ATTRO by COLP and MPS is being continually reviewed and checked prior to authorisation. For Example New Years Eve MPS/CoLP requests.</p> <p>There is ongoing review and partnership work with DCMS and partners for future High Profile events.</p>		
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Risk Code	CR42	Risk Title	<i>Housing Revenue Account Financials (formerly CHB 002)</i>
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Description	<p>Cause: The Housing Revenue Account must be self-financing, cost pressures include:</p> <ul style="list-style-type: none"> • Ongoing delays in building statutory new homes causing delays to income streams and increased costs. • Resourcing for health and safety to ensure meeting of compliance requirements. • Substantial improvement works required on existing stock. • 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. <p>Event: Inability to produce balanced Housing Revenue Accounts, breaching the City of London Corporation's statutory duties.</p> <p>Effect: Breaching the City of London Corporation's statutory duties, reputational damage and inability to effectively deliver the housing service.</p>
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Page 57					
	Risk Score	Likelihood	Impact	Risk Score	Likelihood
16	Likely	Major	8	Unlikely	Major
Red	Trend	Constant	Amber	Target Date	30-Mar-2026
				Risk Score	Likelihood
				16	Likely
				Red	Creation Date
					16-Oct-2023

Latest Note	Court of Common Council has approved an uplift of £152m (including optimism bias) to the major improvement works programme, ensuring that corporate ambitions around housing can be met.		
			19-Dec-2025
	Officers from Chamberlain's, Surveyors and housing meet regularly to ensure that schemes for new unit delivery are on track for delivery and ensure that units are tenanted as soon as possible.		

Risk Level	Corporate	Risk Approach	Reduce
Department	Chamberlain's	Risk Owner	Mark Jarvis; Sonia Virdee

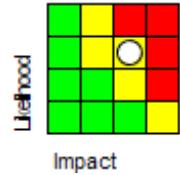
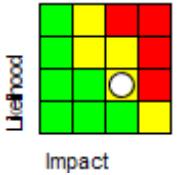
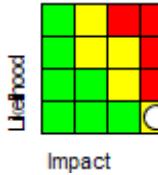
Associated Actions

Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CR42a Capital Schemes Monitoring	<p>Close monitoring of capital schemes is required during 2023/24, update to be provided in regular reporting of capital 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>The review of the major projects programme and the revised HRA 10 Year Plan has identified substantial funding gap of approximately £152m (including a 50% Optimism Bias) if corporate ambitions around housing are to be met.</p> <p>Finance, P&R & CoCo has approved capital funding through a mixture of City Fund and 3rd party sources (November and December).</p>	19-Dec-2025	Mark Jarvis	31-Mar-2026
CR42b Repairs & maintenance	<p>Impact of inflation - capital schemes forecast to exceed budget as well as much increased repairs and maintenance and energy costs.</p>	<p>The Savills report and Pennington review identified high repairs and maintenance costs, management costs and depreciation charges.</p> <p>A report on the current years financial position including management action to reduce costs and offset lost income was presented in December to Finance and P&R.</p> <p>An efficiency review is scheduled for the new year.</p>	19-Dec-2025	Mark Jarvis	31-Mar-2026

CR42c MHCLG Engagement	Engagement with government departments (e.g., MHCLG) and other stakeholders to discuss challenges and options.	Many other London Boroughs also have very fragile HRAs and we are working with local government colleagues as well as MHCLG and Treasury on wider solutions to current challenges.	12-Dec-2025		31-Mar-2026
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.	12-Dec-2025		31-Mar-2026
CR42e Ensuring a long term sustainable social housing provision	Review options to improve long term sustainability, including partnering with third parties	We will be exploring options in the first two quarters of 2026, once we have solution to the more immediate risks.	19-Dec-2025		30-Jun-2026

Risk Code	CR01	Risk Title	Resilience Risk
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Description	Cause - Lack of appropriate planning, leadership and coordination Event - Emergency situation related to terrorism or other serious event/major incident is not managed effectively Effect - Major disruption to City business, failure to support the community, assist in business recovery. Reputational damage to the City as a place to do business.
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Current Risk		Target Risk		Original Risk	
Risk Score	Likelihood	Impact	Risk Score	Likelihood	Impact
12	Possible	Major	8	Unlikely	Major

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Latest Note	Risk Connect business continuity software system has been through a successful roll-out and implementation period with departments across the City completing Business Impact Analyses (BIAs) – the system is currently at 95 % completion rate, to be completed across the organisation by April 2026, followed by a periodic updates refresh and testing by departments supported by the Resilience team. A comms and media team table top discussion for exercise, intended for February 2026, is currently in the planning and agreement stage. All resilience activity under this risk supports the CoLC's efforts in relation to the "Prepare" strand of the UK Govt's CONTEST strategy, with a primary goal of mitigate the impact of major incidents by ensuring co-ordinated responses and effective support and recovery efforts for the public.	12-Dec-2025
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Risk Level	Corporate	Risk Approach	Reduce
Department	Town Clerk's	Risk Owner	Gary Locker; Gregory Moore

Associated Actions

Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CR01L Risk Connect – RC	Transfer of Business continuity plans on to the RC system	<p>A new system, Risk Connect, has been implemented as a corporate system holding all departmental and organisational Business Continuity (BC) plans. Work is ongoing to ensure all departments and institutions across the CoLC understand how to use the system and are implementing their plans, with oversight from Directors and the Senior Leadership Team. A programme of revolving audit and refreshing of Business Impact Assessments (BIAs) is scheduled throughout the year, supported and driven by the resilience team. Cognisant that BIA and BC implementation will be an evolving area of activity, a masterclass high-level BC session has been scheduled (Feb 2026) for SLT to raise the profile and quality of BC planning and utilisation of the RC system.</p> <p>At the time of writing, 95% of the BIAs across the organisation have been uploaded on to the RC system, with work ongoing to test and audit all BC plans on a rolling basis.</p>	12-Dec-2025	Gary Locker	30-Apr-2026

CR01M Risk Connect – RC LALO support role Local Authority Liaison Officer	Key role of a trained Corporation member of staff to attend the scene of an incident deployed by resilience team and feedback reports and requests from emergency service as part of local authority response and support	Further refresher and introductory training is planned to strengthen and support the current pool of on-call LALO officers. Consideration is also being given to ways in which other voluntary operational roles (such as Crisis Support and BECC volunteers), and other operational officers (such as Enforcement Officers within the Environment department) might be provided with additional training to support the LALO pool as and when appropriate.	12-Dec-2025	Gary Locker	31-Jan-2026
CR01N Standardisation of procedures including Gold Leadership Training	To increase City capability and resilience in also supporting wider London boroughs during major incident response, covers the key support functions of emergency centres and Gold strategic leadership	A MAGIC (Multi Agency Gold Incident Command) course, delivered by the College of Policing, was organised and hosted by CoLC in January 2025 for CoL SLT and key external partners. A programme of continuous professional development has been implemented to maintain and develop strategic leadership skills for major incident response, including a full day Public Inquiry session for SLT in November 2025. Further refreshers are factored in for 2026, including HALO and crisis support (complementing crisis support training for new staff set for October 26). HALO (Humanitarian Assistance Lead Officer) training now complete, following Resilience team / DCCS collaboration in May 2025 for staff to understand the role of crisis support	12-Dec-2025	Gary Locker	28-Feb-2026

		and working in emergency centres, and British Red Cross training November 2025 hosted at Walbrook Wharf.			
CR01Q Rolling DR tests	Plan an annual calendar of IT Disaster Recover (DR) tests, covering critical systems and services	<p>Critical applications list agreed by DITS SLT, and runbooks produced for each critical application – documenting the essential information and steps required in a DR scenario.</p> <p>Scheduling of DR tests is still underway, requiring detailed planning with business representatives</p>	05-Nov-2025	Graham Venn	31-Dec-2025

Risk Code	CR09	Risk Title	Health, Safety and Fire Risk Management System
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Description	<p>CAUSE: Insufficient, inappropriate or ineffective management responsibility and accountability for the successful implementation of the health, safety and fire management system, also known as the health and safety management system.</p> <p>EVENT: The City Corporation does not fulfil legal and other requirements; does not identify or adequately address emerging or changing risks reducing health and safety levels; ineffective and disjointed health and safety management system across the City Corporation means assurance cannot be provided; poor or no integration of the health and safety management system with strategic and operational functions of the Corporation resulting in poor decision making and prioritisation.</p> <p>EFFECT: Work or location-related death(s), injuries and ill health; unsafe workplaces or services; physically and mentally unhealthy workplaces and activities leading to increased absence or cost of harm. Enforcement agency action. Organisation fines up to £10 million; individual imprisonment up to 2 years' custody; Corporate Manslaughter unlimited fine and offence range up to £20 million. Adverse media attention and significant reputational damage. Significant negative impact on Corporate Plan deliverables, employee morale and service user trust. City of London Corporation not the employer of choice or regarded as a world class organisation. Suspension or removal of license to operate or deliver key functions.</p>
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Current Risk		
Risk Score	Likelihood	Impact
12	Possible	Major
Amber	Trend	Constant

Target Risk		
Risk Score	Likelihood	Impact
4	Rare	Major

Green **Target Date** 29-Mar-2029

Original Risk		
Risk Score	Likelihood	Impact
12	Possible	Major

Amber **Creation Date** 04-May-2017

Latest Note	The ESM training is live. Courses are running, we have trained 602 managers, however to date only 12% of managers can be considered trained as only 1 of the 2 required modules have been completed by attendees.			12-Dec-2025
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	<p>The second line of defence function is now reset, following IAs recent audit and the previous red risk finding has now been mitigated.</p> <p>Safe365 (Safety Mgt System) continues to improve albeit slowly, the organisation rising to 60% from 58% at the last reporting period Sept '25. The strategic Health & Safety Board is tracking 3 Departmental areas showing potential non-compliance.</p>	
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Risk Level	Corporate
Department	Town Clerk's

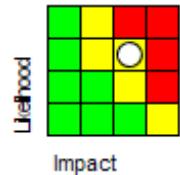
Risk Approach	Reduce
Risk Owner	Gregory Moore; Oliver Sanandres

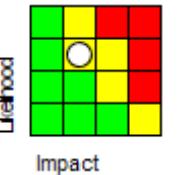
Associated Actions

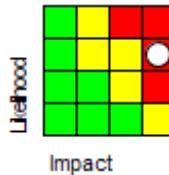
Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
WR09R Inadequate Management of statutory wellbeing requirements	Implementation of the City Corporation H&S Business Plan. Regular monitoring of progress against the plan by the City Corporation H&S Committee.	Delay to this plan as we support HR in the creation of their wellbeing plans.	14-Oct-2025	Gregory Moore; Oliver Sanandres	30-Apr-2026

Risk Code	CR30	Risk Title	<i>Impact of Climate Change</i>
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Page 66	Description	CAUSE: The Corporation is under pressure from both the physical impacts of climate change and the transition to a low-carbon economy. Climate change is leading to hotter, drier summers, warmer, wetter winters, rising sea levels, and more extreme weather events. To mitigate the worst potential impacts of climate change, the Paris Agreement (a legally binding international treaty) aims to limit the global average temperature increase to well below 2°C above pre-industrial levels, with efforts to cap the rise at 1.5°C.
		RISK EVENT: Changing weather patterns in the City of London may result in heat stress, flooding, water scarcity, biodiversity loss, increases in pests and diseases and disruption to food, trade and infrastructure. The Square Mile's dense urban environment and aging infrastructure could amplify these climate impacts. As the global drive to reduce emissions transforms the economic landscape, we are seeing tightening regulation, changing investor preferences, and technological disruption.
		EFFECT: The combination of physical and transition risks could lead to significant financial impacts through increased operational costs, stranded assets, reduced investment returns, and reduced attractiveness of the City. The Corporation's reputation and influence could be damaged if it fails to demonstrate leadership in both climate resilience and low-carbon transition, potentially weakening London's position as a sustainable financial centre.

Current Risk		
	Risk Score	Likelihood Impact
12	Possible	Major
Amber	Trend	Constant

Target Risk		
	Risk Score	Likelihood Impact
6	Possible	Serious
Amber	Target Date	31-Mar-2027

Original Risk		
	Risk Score	Likelihood Impact
24	Possible	Extreme
Red	Creation Date	07-Oct-2019

Latest Note	Progress continues on actions which mitigate climate change (working toward net zero emissions for the Corporation and City) and adapt to its impacts (building our climate resilience). Risk remains the same.	13-Nov-2025
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Risk Level	Corporate
Department	Innovation and Growth

Risk Approach	Reduce
Risk Owner	Damian Nussbaum

Associated Actions

Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CR30a Page 67	As part of our Climate Action Strategy, we are aiming to achieve net zero for our own operations by 2027 and full value chain by 2040. Operational assets comprise over 95% of our operational footprint. Investment assets (both commercial and residential) comprise 25% of our total footprint. Decarbonising these portfolios is achieved through investment in energy efficiency measures, low carbon heat, and onsite renewable energy generation.	To the end of 2024/25, the operational portfolio had reduced its net emissions by 60% against the baseline. The investment portfolio had reduced its emissions by 62%. Investment continues as forecast.	21-Nov-2025	Kate Neale; Dale Rich	31-Mar-2027
CR30b Decarbonising and reducing climate risk in financial investments	As part of our Climate Action Strategy, we are aiming to achieve net zero for our full value chain by 2040. Emissions from our financial investments (across all Funds) comprise over 40% of our total footprint. Emissions reductions are achieved through engagement with Fund managers and strategic	To the end of 2024/25, emissions in financial investments reduced by 25% against the 2018/19 baseline. Investment strategies continue to be reviewed with ongoing opportunities to align with net zero being identified.	21-Nov-2025	Kate Neale; Dale Rich	31-Mar-2027

	alignment with lower carbon, lower risk investments.				
CR30c Decarbonising our supply chain	As part of our Climate Action Strategy, we are aiming to achieve net zero for our full value chain by 2040. Emissions from our supply chain comprise nearly 25% of our total footprint. Emissions reductions are achieved by setting requirements of suppliers to measure and reduce their own emissions. In addition, our Net Zero Design Standard tackles the embodied carbon in our construction, and our Circular Economy Strategy enables emission reduction from waste.	As of 2023/24, we had increased emissions from our supply chain by 23% against the 2018/19 baseline. Work is ongoing with suppliers in emissions reductions.	21-Nov-2025	Kate Neale; Dale Rich	31-Mar-2027
CR30d Decarbonising the City	As part of our Climate Action Strategy, we are aiming to achieve net zero in the Square Mile by 2040. Over 70% of emissions from the City come from commercial buildings, with the remainder largely from transport. Emissions reductions from City buildings can be achieved through tighter planning controls, enabling a change to energy infrastructure (such as heat networks),	As of 2022, emissions in the City of London had fallen by 24% against the 2017 baseline, in line with increased activity post Covid. Key focus is on the Heat networks programme, which is progressing, and focus continues with planning policy interventions. Sustainable City Summit taking place end of November as key stakeholder engagement event.	24-Nov-2025	Kate Neale; Dale Rich	31-Mar-2027

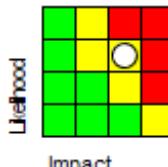
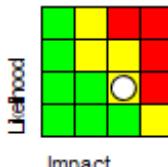
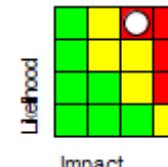
	enabling wide-spread asset investment in energy efficiency, and supporting the Circular Economy. Transport emissions are tackled through pedestrianisation programmes, anti-idling campaigns and working in partnership with TfL.				
CR30e Supporting nature recovery and carbon sequestration in open spaces 69	As part of our Climate Action Strategy, we are supporting nature and biodiversity recovery in the City and Corporation's open spaces. This focuses on protecting carbon sequestration from climate change, and increasing sequestration capacity of soils and plants. The sequestration capacity is fundamental to achieving net zero by 2027, balancing out the Corporation's emissions.	Activities continue with carbon protection workstreams on track: NFM leaky dams, squirrel surveys, deer management, wildfire preparedness, and tree protection. Additionality carbon sequestration 75% materialised to date (forecast 85-90%). Main shortfall expected from reduced amenity mowing targets - Wanstead Flats 10% & Hampstead Heath 3%.	17-Nov-2025	Kate Neale; Dale Rich	31-Mar-2027
CR30f Increasing climate resilience in Corporation assets & open spaces	As part of our Climate Action Strategy, we are increasing resilience of the Corporation's buildings and open spaces. This includes protecting open spaces from climate risk including drought and forest-fire, and surveying Corporation assets to plan targeted interventions to	Assets resilience plans engagement and mapping with internal & external departments to understand building needs and to adopt measures. Developing packs to engage with key industry initiatives which share innovative and leading resilient building practices supporting dissemination. Wildfire Equipment purchased and working groups held. Tree protection interventions	18-Nov-2025	Kate Neale	31-Mar-2027

	mitigate impacts of flooding and overheating risk.	(e.g. decompaction, mulch, soil amendments) delivered at North London Open Spaces, tree propping at Burnham Beeches, TreeSense moisture stress monitors installed.				
Page 60	CR30g Increasing climate resilience in the City	As part of our Climate Action Strategy, we are increasing resilience of the public spaces and infrastructure in the Square Mile. This includes doing extensive surveying of the above and below ground infrastructure to inform opportunities for intervention, and deploying street-level interventions to mitigate flood and overheating risks.	Works ongoing with 72 new trees planted in 24/25, bringing the total in the Square Mile since the Strategy launch to 186. Introduced 2,500m ² of improved greening in 24/25, bringing the total since the Strategy launch to over 17,200m ² .	17-Nov-2025	Kate Neale; Dale Rich	31-Mar-2027
R30h Supporting skills for low carbon economy	The Corporation supports green skills across its functions and stakeholders. The Education Strategy Unit in DCCS leads an Environmental & Outdoor Learning programme, and the Policy and Innovation team within Innovation & Growth lead a 'Skills for a sustainable skyline taskforce', which aims to drive change in the green skills space by encouraging and upskilling workers and attracting diverse talent.	The Skyline Skills Hub continues its strong engagement with consistent growth in traffic from June 2025 to August 2025, attracting a quarterly total of 1,627 visits, 118,323 page views, and 329,538 hits. The 'Future Skyline Skills Commitment' launched in October 2025 and is now hosted on the Hub. The CoLC pilot programme to share Section 106 apprentice placements now includes LB Camden, LB Islington, LB Westminster, LB Haringey, LB Hackney and RB Kensington & Chelsea, with a view to then expand with other Central London Forward boroughs.	17-Nov-2025	Kate Neale; Dale Rich	31-Mar-2026	

		Climate engagement with Schools is accelerating, with two workshops completed and another planned for November 2025 - aiding the family of schools setting climate delivery plans (which will include climate skills).				
Page 71	CR30i Supporting London become a centre for transition finance	The Policy and Innovation team within Innovation & Growth lead the Transition Finance Council (which was co-launched by Government and the City of London). The Council's aim is to make the UK the best place in the world to access and deploy finance in support of the global transition. The Council will monitor and drive implementation of the TFMR's recommendations and support transition finance capacity building and engagement. It will publish a half-yearly public progress report.	The Transition Finance Council launched the international consultation on the transition finance guidelines and is engaging with international stakeholders with the goal to create a more enabling regulatory and reporting environment for businesses and financial institutions to invest in decarbonisation technologies and net zero solutions globally. The next milestone will be early January when the first pilot case study on how to design financing plan using the Finance Playbook for long duration energy storage.	18-Nov-2025	Kate Neale; Dale Rich	31-Mar-2026

Risk Code	CR33	Risk Title	<i>Project portfolio strategic impact and/or financial value</i>
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Description Page 72	Cause: 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. Event: 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. Effect: 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

Current Risk		Target Risk		Original Risk	
Risk Score	Likelihood	Impact	Risk Score	Likelihood	Impact

12	Possible	Major
Amber	Trend	Constant

8	Unlikely	Major
Amber	Target Date	31-Mar-2029

16	Likely	Major
Red	Creation Date	14-Feb-2020

Latest Note Page 73	The CR33 Risk was updated in October from CR33 – Major Capital Schemes to CR33 – Project Portfolio strategic impact and/or financial value. The risk remains at the same risk score of AMBER 12. The revision to the risk includes widening the scope of the risk from only major projects to a holistic portfolio management to align with the new corporate approach. The mitigations reflect the collaborative approach to portfolio management across project managers, finance and commercial colleagues. The adoption of the new formalised and consistent governance under the new P3 framework is a key mitigation for this risk.	19-Dec-2025
	November successfully celebrated the official launch of the P3 framework with a networking event for the City Corporation's Project managers and key stakeholders.	
	Ongoing focuses include work to establish a new Project Management Academy and continuous data cleansing/validation exercises of the project portfolio to enhance reporting accuracy.	
	During the Autumn the benefits framework module on Cora has been developed and tested by business users.	

Risk Level	Corporate	Risk Approach	Reduce
Department	Chamberlain's	Risk Owner	Caroline Al-Beyerty

Associated Actions

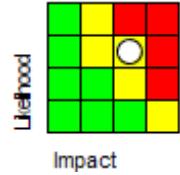
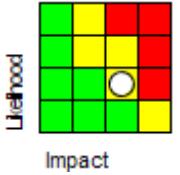
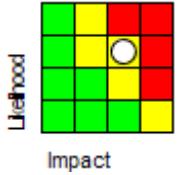
Ref No:	Description	Latest Note	Note Date	Owned By	Due Date

CR33j Project Management Academy	Refresh the Project Management Academy	<p>Utilising the approved transformation funding bid, soft market testing has been undertaken, with cost outlines provided for the appropriate offering.</p> <p>Internal training is available for all staff on the P3 Framework and the Cora Project Management system.</p>	19-Dec-2025	Matthew Miles	31-Mar-2026
CR33l Cashflow and Forecast Monitoring	Monitor the high-level cashflow/forecast monthly	<p>As part of the P3 framework, the Chamberlain's Assurance Board has been established to review the financial dashboards and forecasts for the Major Programmes and the wider portfolio, with guidance provided to the Portfolio Board. Quarterly monitoring/reporting will continue going forwards to Finance Committee and Investment Committee.</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>	19-Dec-2025	Sonia Virdee	31-Mar-2029
CR33m Secure Third-Party Funding	Secure Third-Party Funding	<p>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.</p>	23-Jun-2025	Sonia Virdee; Paul Wilkinson	31-Mar-2029

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Risk Code	CR37	Risk Title	<i>Maintenance and Renewal of Corporate Physical Operational Assets (excluding housing assets)</i>
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Description	<p>Cause: Significant on-going and previously unmet property and renewal maintenance costs across the City's Corporate property portfolio (excluding housing).</p> <p>Event: Misalignment between funding available and that required by the asset (as defined by the relevant Asset Management Strategy).</p> <p>Impact: Built estate becomes not fit for purpose / functions / occupancy. Cost of maintenance and utility costs increases, placing further pressure on City resources. In extreme circumstances there will be H&S implications, leading to potential enforcement action, legal action by tenants or asset failure in whole or part with detrimental effects leading to impact on occupiers.</p>
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Page						
	Risk Score	Likelihood	Impact			
12	Possible	Major	8	Unlikely	Major	
Amber	Trend	Constant	Amber	Target Date	31-Mar-2029	
				Risk Score	Likelihood	Impact
				12	Possible	Major
				Amber	Creation Date	10-Oct-2019

Latest Note	<p>This risk captures systemic property related risks across the corporate property estate (excluding housing).</p> <p>Under the organisation's property model, accountability for the delivery of mitigating activities lies with the relevant Chief Officer.</p> <p>The City Surveyor, as Head of Profession for Estates and Facilities Management, advises the relevant Chief Officer of their accountabilities with respect to property assets they occupy beyond those assets under the City Surveyor's accountability.</p>	19-Dec-2025
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	<p>The delivery of the Cyclical Works Programme (CWP) is a key mitigation of this risk under the City Surveyor's control. The target date of this risk aligns with the five-year CWP delivery timeframe.</p> <p>It should be highlighted that CWP funding is not attributable to ringfenced property assets (Police estate, New Spitalfields, Billingsgate and the three private schools).</p> <p>The scoring on the impact of this risk has reduced from initial scoring to reflect the agreement of funding of CWP.</p>	
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Risk Level	Corporate	Risk Approach	Reduce
Department	City Surveyor's	Risk Owner	Paul Wilkinson

Associated Actions

Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CR37a Cyclical Works Programme (CWP)	<p>Cyclical Works Programme (CWP)</p> <p>The Cyclical Works Programme (CWP) is the principal way that the backlog of asset maintenance is delivered to Corporate properties (excluding ring-fenced assets).</p>	<p>In March 2024 the Court of Common Council agreed £133m funding to be delivered over five years to support the Cyclical Works Programme (CWP).</p> <p>The focus of this action will be to track the delivery of the CWP in line with programme. The delivery team was established in late 2024 and works have commenced. A progress update is presented to RASC every 6-months in line with the update programme.</p>	19-Dec-2025	Peter Collinson; Paul Wilkinson	31-Mar-2029
CR37b Ring fenced budgets	Ring fenced properties and budgets	Ring-fenced property occupiers are accountable for the identification of maintenance and renewal actions. The City Surveyor, as Head of Profession, is able to	19-Dec-2025	Ben Milligan; Paul Wilkinson	31-Mar-2026

D	<p>“Ring fenced” properties include the City of London Police estate, New Spitalfields, Billingsgate and the three private schools.</p> <p>These departmental occupiers allocate their own funds for the maintenance of the built assets. Whilst the City Surveyor’s Department recommends work to be undertaken, it is the occupying department who holds the budget responsibility and thus decides with final control over maintenance activity.</p>	<p>advise on required works and / or is responsible for delivering agreed maintenance services.</p> <p>Specific property related risks are noted on the relevant departmental/ Institution risk register.</p> <p>The target date for this action is considered as a 'major review' date.</p>			
R37f Annual Major Capital Bids	<p>Annual Major Capital Bids</p> <p>The annual capital bids programme and recommendations (October) are built into the subsequent year’s organisational budget which is presented to Court</p> <p>Capital bids are only considered where funding is not possible through other funding routes (such as CWP).</p>	<p>A small capital bids pot is available for 2026/27, with strict controls.</p> <p>Where bids are approved works will need to progress before a material change in the risk scoring will result.</p> <p>The accountability for the development of capital bids lies with the relevant Chief Officer. Support is also provided to occupying departments where they are required to collate their own bids (in-line with the City Surveyor’s role as Head of Profession). The City Surveyor’s Department presents bids in relation to works at the Guildhall, Walbrook</p>	19-Dec-2025		31-Mar-2026

		<p>Wharf 3 wholesale markets and the Central Criminal Court.</p> <p>The target date on this risk reflects the annual nature of bidding process.</p>			
CR37g Operational Property Review Page 79	<p>Operational Property Review</p> <p>The City Corporation has commenced an Operational Property Review (OPR) programme to consider the future property requirements to deliver the organisation's services. This will align with the Resource Priority Refresh programme.</p> <p>Where properties are identified as no longer required to deliver City services, alternative uses (or disposal) can be progressed. This will both lower the maintenance backlog, and funds can be used for maintenance projects elsewhere in the estate. Whilst a positive move, the majority of outstanding maintenance is at our major buildings (Guildhall, Barbican etc).</p>	<p>The Environment Department continue to progress their Operational Property Review Programme, with updates presented to RASC periodically.</p> <p>All organisational departments are required to review their use of assets through the annual business planning process. The 2026/27 departmental business plans are due to be presented to the relevant Committee through January and February 2026. There were no surplus assets identified through the 2025/26 process.</p>	19-Dec-2025	Katie Stewart; Sonia Virdee; Peter Young	31-Mar-2026

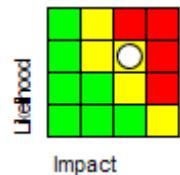
CR37h Renewal Programmes	<p>Renewal Programmes</p> <p>Where appropriate it may be more efficient to wrap up a number of maintenance requirement (both forward and backlog) into a major renewal programme. By their nature these will be far wider in scope and therefore substantial funding is required. Whilst these actions are more uncertain it is useful to track progress as, should they progress, they will make a significant impact on the overall risk.</p>	<p>The Barbican Centre renewal project has recently been approved following extensive public workshops and surveys. Whilst the delivery programme will be over a long time period, interim works (to the value of £25m) have been progressed. The wider transformation programme includes £191m in investment to support the first phase of the Barbican Renewal Programme. This spans five years (2027-2032) and addresses repair and modernisation activity.</p> <p>The Guildhall School of Music and Drama (GSMD) are working closely with corporate colleagues to develop and further the Barbican Renew project. GSMD have also engaged space consultants who are undertaking a wide-ranging review of the site to ensure future needs are captured and future funding bids are aligned.</p> <p>Guildhall renewal has been paused and appropriate sequencing needs to be considered to enable adequate funding to be released. In the interim CWP works (CR37a) are being progressed</p>	19-Dec-2025	David Farnsworth; Jonathan Vaughan	31-Mar-2026
CR37i Maintenance and Renewal	<p>Maintenance and Renewal</p> <p>The regular maintenance and renewal of assets mitigates the risk on an on-going basis. The identification and mitigation of these items is under the</p>	<p>Under the City of London's operating model, it is the Chief Officer in occupation who is accountable for the identification and mitigation of property related risks within their area of control. This is done with the advice of</p>	19-Dec-2025		31-Mar-2026

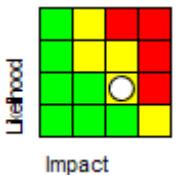
	<p>accountability of the Chief Officer in occupation.</p>	<p>the City Surveyor as Head of Profession for Estates and Facilities Management.</p> <p>This mitigating action is therefore devolved to all Chief Officers across the organisation, and actions will vary in line with the needs of that individual department. Local risks are captured on individual risk registers and are considered by the organisation's Chief Officer Risk Management Group (CORMG) as appropriate.</p> <p>The target date for this risk action is considered a major review date.</p>			
CR37j Head of Profession	<p>The City Surveyor's Department is Head of Profession (HOP) for Estates and Facilities Management. However, roles and responsibilities associated with organisational HOP have not been defined. Greater definition around this item will provide clarity as to the City Surveyor's responsibility to the organisation's property estate.</p>	<p>The HOP reflects the organisation's operating model, where the Chief Officer in occupation is accountable for the identification and mitigation for property related risks within their area of control. The City Surveyor, as HOP for Estates and Facilities Management, feeds into this process by providing advice to the relevant Chief Officer.</p>	19-Dec-2025	Cliff Morton; Paul Wilkinson	30-Jun-2026

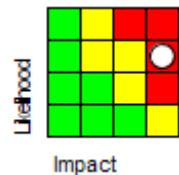
Risk Code	CR38	Risk Title	<i>Unsustainable Medium-Term Finances - City's Estate</i>
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Description	<p>Causes: The embedded increased impact of inflation, following the peak of 10.7% in Autumn 2022 (as reported by the Office for Budget Responsibility).</p> <p>Aging estate crystallising high levels of expenditure over short time period, putting pressure on Reserves.</p> <p>Reduction in rental income from the property investment portfolio following post pandemic changes in workplace attendance reducing demand for grade B office accommodation.</p> <p>Event: Inability to manage financial pressures within the fiscal year, resulting in an inability to achieve anticipated savings and generate expected income, may necessitate additional reliance on Reserves. Additionally, challenges in controlling construction inflation or the inability to readjust capital projects within budget parameters pose further risks.</p> <p>Effects: The City of London Corporation's reputation could suffer from failure to achieve financial goals or from reduced services to businesses and the community. Experience challenges in delivering the capital program and major projects within budgetary limits. Inability of expenditure to align with the corporate plan, leading to inefficient resource utilisation and reduced corporate performance.</p>
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Page 82

Current Risk	
Risk Score	Likelihood Impact
12	Possible Major

Target Risk	
Risk Score	Likelihood Impact
8	Unlikely Major

Original Risk	
Risk Score	Likelihood Impact
24	Possible Extreme

Latest Note	City's Estate maintains a balance budget with its regular revenue activities. However, when factoring in major project financing, cyclical works programmes, capital programmes, and exceptional items, additional drawdowns are still necessary to support annual budgets throughout the five-year financial year plan and beyond.			19-Dec-2025
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Inflation rates will be reviewed on a quarterly basis, and an inflation contingency will be maintained for 2025/26 through carrying forward underspends from 2024/25

The five-year financial plan includes:

- Reprofiling of cyclical works programmes to cover bow-wave of outstanding works and provision of works going forward.
- Funding strategy identifies where best to bring third party capital into surplus operational property opportunities, reducing demand on own Reserves.
- Quarterly monitoring of capital programmes against budget
- Securing income generation opportunities.
- Pausing initiation of NEW Major Projects spend to enable increased revenue generation from the property investment portfolio through implementation of the Investment Strategy

Developing a savings programme aligned with the Town Clerk's Fantastic Five Years, supporting organisational excellence, focusing on efficiencies and transformation across services.

Budget setting is currently underway for 2026/27.

Risk Level	Corporate
Department	Chamberlain's

Risk Approach	Reduce
Risk Owner	Caroline Al-Beyerty

Associated Actions

Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CR38a Impact of inflation	Monitoring the impact of revenue inflationary pressures (including pressures on energy costs, cost of London living wage) and	Regular monitoring the office of budget responsibility's inflation forecasts. The Consumer Prices Index (CPI) rose by 3.2% in the 12 months to November 2025, down from	19-Dec-2025	Sonia Virdee	31-Mar-2026

	<p>construction inflation impacts on capex programme</p> <ul style="list-style-type: none"> • Monitor the use of inflation contingency 	3.6% in the 12 months to October (source Office for National Statistics).			
CR38e A reduction in key income streams and increase in bad Debt	<p>Monitoring key income streams</p> <ul style="list-style-type: none"> • i.e. rental income from the property investment portfolio. 	<p>This is being monitored monthly, with action being taken within the portfolio to maximise income generation opportunities. Ensure income generation schemes are sustainable and on-going opportunities are explored, these include but not limited to; Lord Mayor Show and events across the Corporation, Advertising and sponsorship, Filming inside and outside the square mile, Retail opportunities and Fees and Charges.</p> <p>Benchmarking exercises are currently being undertaken to provide a market comparison.</p> <p>Officer Star Chambers led by the Town Clerk have concluded and have identified potential savings and pressures. A report regarding the proposals will be submitted to Policy and Resources Committee in the autumn, aiming to identify programme savings within the five-year financial plan.</p>	19-Dec-2025	Sonia Virdee; Genine Whitehorne	31-Mar-2026
CR38f Achievement of current	Delivering the current savings programme and securing permanent year-on-year savings.	Quarterly revenue monitoring undertaken to ensure departments have appropriate plans in place to meet in-year pressures. High risk	19-Dec-2025	Sonia Virdee	31-Mar-2026

<p>Savings Programme</p> <p>Page 85</p>	<p>departments are undertaking monthly revenue monitoring. Regular updates to Executive Leadership Board / Senior Leadership built into monitoring timetable.</p> <p>Pressures and mitigations are being recorded at a more granular level to improve the tracking and reporting on savings during the year, this information has been incorporated into the budget monitoring reports to this committee to help inform Members of key risks and progress. An update on the savings was reviewed by the Efficiency and Performance Working Party at its June meeting a further update will be taken in the New Year. One of the outcomes was to review how we inform Committee Chairs on City's Estate' overall position. This was addressed in an informal Member briefing session on 16th July along with Members receiving a briefing pack at its Policy and Resource Away Day.</p> <p>The focus of the May/June Star Chamber meetings provided an opportunity to increase the attention on efficiencies, preventative approaches, aligning to strategic priorities as well as the current income generation strategies. The second round held during September-October has finalised and confirmed the value of proposals identified by Chief Officers. Although savings have been found this has just addressed on-going</p>			
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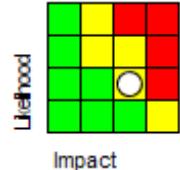
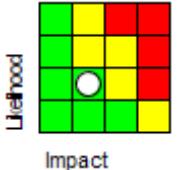
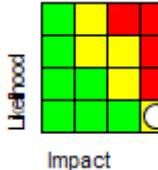
		pressures. A report regarding the proposals will be submitted to Efficiency and Performance Working Party summarising the proposals.			
Page 86	CR38g Major Projects Financial Envelope	<p>Remain within the financial envelopes approved for major projects.</p> <p>Monthly updates and budget monitoring on major projects forecasts and issues arising; projects are routinely reviewed by the Chamberlain's Assurance Board.</p> <p>The only major project remaining within City Estate is the MoL Landlord Works, which is nearing completion, as well as the funding contribution towards SSD.</p> <p>The achievement of property disposals on time as well as drawdown from financial investments, will be needed to fund cashflows, which is being monitored as part of the cashflow reporting to Investment Committee.</p>	12-Dec-2025	Sonia Virdee	31-Mar-2029
	CR38i Charities Review (Natural Environment)	<p>Charities must be able to fundraise effectively to ensure their long-term sustainability and reduce dependence on the Corporation. This includes creating opportunities to generate more income in support of their operational ambitions and operational property requirements.</p> <p>Finance Committee on 14 January, agreed to proceed with the implementation phase and move to a grant funding model for 2025/26. This was confirmed by RASC and P&R in</p>	19-Dec-2025	Emily Brennan; Sonia Virdee	31-Mar-2026

		February 2025. The two-year implementation phase commenced in April 2025 and have progressed reporting to NE Committees during 2025 and interim outcomes to the Efficiency & Performance Working Party took place in November 2025, with recommendations presented Finance Committee in January 2026.			
CR38j Plans in place to reduce future deficits.	Reduce annual operating deficit, including major changes or stoppages to existing services provision and/or reduction in grants.	Despite the Court of Common Council decision on the markets, City's Estate continues to produce annual operating deficits over the 5-year financial plan. Over the planning period, the revised cumulative deficit is forecast to be £395m in additional to the financial gain already modelled. Balance sheet modelling indicates this is manageable in the medium term, but not sustainable over the longer term. Stopping the markets co-location programme has strengthened net assets, supporting the sustainability of the City's Estate fund and investment portfolio. This will in turn allow the Corporation to progress with implementing the investment strategy in diversifying its investment assets, which according to longer term modelling, suggests recovery and a transition into surplus in 15 years. Implementing these decisions shifts the risk dial from red to amber.	19-Dec-2025	Sonia Virdee; Genine Whitehorne	31-Mar-2026

	<p>However, Members should note failure to implement the investment strategy will compromise the recovery of City's Estate's I&E position. Therefore, it is not recommended to add any additional pressure on City's Estate investment assets to allow time for the strategy to be embedded.</p> <p>Additionally, continued emphasis on efficiencies and reducing deficit funding for charities will require support and progress to ensure the sustainability and future viability of both Charities and City's Estate.</p> <p>Star Chambers led by the Town Clerk have now concluded.</p> <p>A report regarding the proposals will be submitted to Policy and Resources Committee in the autumn, aiming to identify programme savings within the five-year financial plan.</p>		
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Risk Code	CR10	Risk Title	<i>Adverse Political Developments</i>
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Description	<p>Cause: Policy issues that may compromise the City's operation as an international financial marketplace to which the City Corporation's functions are aligned; other financial and professional services issues that make the City Corporation vulnerable to political criticism; local government proposals that (either directly or indirectly) call into question the democratic legitimacy of the City of London Corporation; overarching political hostility.</p> <p>Event: Changes in international relationships particularly those with the EU or the US; reputational questions related to financial institutions; local government changes in London; low turnout for Common Council elections; increase in political hostility to the Corporation.</p> <p>Impact: Damage to the Corporation's ability to put its case nationally and internationally and to the City's standing as a dedicated international financial marketplace. Loss of investor confidence in, or attractiveness of, the Square Mile. The City of London Corporation would be compromised if the City's position as a world-leading financial and professional services centre were undermined. Loss of credibility for the Corporation.</p>
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Page 69	Current Risk		Target Risk		Original Risk	
	Risk Score	Likelihood	Impact	Risk Score	Likelihood	Impact
8	Unlikely	Major	4	Unlikely	Serious	8
Amber	Trend	Constant	Green	Target Date	09-Jul-2029	Rare
					Creation Date	Extreme

Latest Note	The risk appetite is assessed on the basis of an assumption as to the Corporation's ultimate constitutional existence in its current form beyond the risk register timeline. No change to the risk rating is suggested at this time. The City of London (Markets) Bill continues its progress through Parliament and is currently awaiting its Committee stage.	18-Oct-2025
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	Government plans for police reform are being monitored ahead of an expected White Paper, as are the proposals arising out of the English Devolution White Paper.	
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Risk Level	Corporate	Risk Approach	Reduce
Department	Remembrancer's	Risk Owner	Paul Wright

Associated Actions

Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CR10a Page 90	Monitoring of Government legislation and proposed regulatory changes.	<p>Constant attention is given to the form of legislation affecting the City Corporation and the broader City, and any remedial action pursued. City Corporation departments will be alerted to issues of potential significance as the measures are introduced.</p> <p>Targeted engagement across the political spectrum will continue on matters that directly impact the City of London, particularly around the City of London (Markets) Bill.</p> <p>Currently among the Bills being considered by Parliament are the English Devolution Bill, Pensions Schemes Bill and the Planning and Infrastructure Bill. Plans to lower the voting age are also being monitored.</p>	18-Oct-2025	Paul Wright	09-Jul-2029
CR10b Provision of information	Provision of information to Parliament, Government and the London Assembly on issues of importance to the City.	Making known the broad range of work of the City Corporation among opinion formers, particularly in Parliament and central Government, is part of the apparatus by which	18-Oct-2025	Paul Wright	09-Jul-2029

		<p>the City's voice is heard and by which the Corporation is seen to be "doing a good job" for a crucial sector of the economy, and for London (and the nation), across a wide spectrum of activity.</p> <p>The Remembrancer's Parliamentary Team and the Corporate Affairs Team continue to provide updates to the relevant departments and Members following major political developments and set piece Parliamentary events. The most recent event of this nature were the Autumn Party Conferences.</p> <p>Written submissions have been made to a number of select committee inquiries, notably soft power, built heritage, export-led growth, plant and animal health, and post-16 education.</p> <p>The Remembrancer's Parliamentary Team also contributes to the tracking of Government consultations and co-ordinating relevant teams to provide responses to relevant consultations.</p>		
CR10c Stakeholder engagement	Engagement with key opinion informers in Parliament and elsewhere. Programme of work to monitor and respond to issues affecting the reputation of the City Corporation.	The Policy Chairman has regular meetings with the MP for the Cities of London and Westminster and liaison with her and other MPs, Peers and Select Committee of both Houses on matters of importance to the City will continue.	18-Oct-2025	Paul Wright 09-Jul-2029

		<p>Working with other organisations, including TheCityUK, International Law Committee, LawUK and the Financial Markets Law Committee, to analyse the legal and regulatory framework impacting on the FPS sector.</p> <p>The City's Annual Parliamentary Terrace Reception is being scheduled for the new year, and a parliamentary researchers' reception has been scheduled for October.</p> <p>The All Party Parliamentary Group for Financial Markets and Services, for which the Parliamentary Team provide administrative support, continues its programme of engagement.</p> <p>The Remembrancer's Parliamentary Team works closely with Corporate Affairs and the Office of the Policy Chairman over the Policy Chairman's parliamentary engagement programme, including providing content and briefing for bilateral meetings.</p>		
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Risk Code	CR02
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Risk Title	<i>City Corporation's role in promoting UK FPS</i>
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Description Page 93	<p>Cause – A key strategic outcome of the Corporation is to drive economic growth, and champion UK Financial & 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>Event - The Corporation ceases to be regarded as a champion of UK FPS, diminishing its reputation and perceived relevance among stakeholders in the UK Financial & Professional Services Sector.</p> <p>Effect – 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"> • Delivery: 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. • Partnerships: 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. • Commercial loss: a decline in the Corporation's reputation could lead to a reduced demand for its commercial offerings such as venue hire. • Talent acquisition: 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.
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Current Risk			
Risk Score	<table border="1" style="display: inline-table; vertical-align: middle;"> <tr> <td>Likelihood</td> <td>Impact</td> </tr> </table>	Likelihood	Impact
Likelihood	Impact		

Target Risk			
Risk Score	<table border="1" style="display: inline-table; vertical-align: middle;"> <tr> <td>Likelihood</td> <td>Impact</td> </tr> </table>	Likelihood	Impact
Likelihood	Impact		

Original Risk			
Risk Score	<table border="1" style="display: inline-table; vertical-align: middle;"> <tr> <td>Likelihood</td> <td>Impact</td> </tr> </table>	Likelihood	Impact
Likelihood	Impact		

6	Possible	Serious
Amber	Trend	Decreasing

4	Unlikely	Serious
Green	Target Date	31-Mar-2027

8	Unlikely	Major
Amber	Creation Date	17-Feb-2015

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

Risk Approach	Reduce
Risk Owner	Damian Nussbaum

Associated Actions

Ref No:	Description	Latest Note	Note Date	Owned By	Due Date
CR02j Competitiveness strategy refresh	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.			Daniel O'Byrne	31-Mar-2026
CR02k Fraser group activity - collaboration	IG chair a cross department working group known as the 'Fraser Group' in support of the competitiveness agenda. This			Daniel O'Byrne	31-Mar-2027

	group has representatives from IG, Rems, Corporate Affairs, Media, Strategy, OPC, MH and City of London Police and CDIU.				
Page 5	CR02l Awareness of challenges within UK FPS	Teams across IG will monitor extraterritorial regulatory changes, the geopolitical situation and the UK 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.		Daniel O'Byrne	31-Mar-2027
	R02m 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.		Daniel O'Byrne	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		Daniel O'Byrne	31-Mar-2027

	mitigate the perceived negative impacts of any regulatory changes.				
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.			Daniel O'Byrne	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.			Daniel O'Byrne	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)			Daniel O'Byrne	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 SABTAC to ensure that UK FPS			Daniel O'Byrne	31-Mar-2027

	remains a priority for incoming Lord Mayors.			
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ARMC - Red Departmental Risks - Summary Report

29 December 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 Buildings 007	Failure to maintain and renew Buildings and Estates Infrastructure	Likely	Extreme	32	Red	10-Nov-2025	4	30-Apr-2026	Constant	Reduce
BBC Buildings 001	Building Safety Act 2022 - High Risk Building Status	Possible	Extreme	24	Red	10-Nov-2025	8	31-Mar-2026	Constant	Avoid
BBC H&S 001	Safety Maturity	Unlikely	Extreme	16	Red	10-Nov-2025	2	31-Mar-2026	Constant	Reduce
BBC H&S 002	Failure to deal with Emergency/Major Incident/Risk of Terrorism	Unlikely	Extreme	16	Red	10-Nov-2025	8	31-Mar-2026	Constant	Reduce

City of London Freemen'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	30-Oct-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	06-Nov-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
CLSG-01	External and internal pressures on financial model (SA5-Operations)	Likely	Extreme	32	Red	19-Nov-2025	12	31-Aug-2026	Constant	Reduce
CLSG-13	Governance	Likely	Major	16	Red	19-Nov-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	19-Dec-2025	6	31-Mar-2026	Constant	Reduce
SUR SMT 017	Extended Operation of Smithfield & Billingsgate Market Sites	Unlikely	Extreme	16	Red	22-Dec-2025	4	31-Dec-2026	Constant	Reduce

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

Page 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-Mar-2026	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-SLT 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	06-Nov-2025	4	01-Apr-2026	Constant	Reduce

Police and Crime Commissioner's Department (1 risk)

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-Nov-2025	16	31-Dec-2025	Constant	Reduce

Agenda Item 9

Committee(s): Audit and Risk Management Committee	Dated: 12/01/2026
Subject: Internal Audit Charter	Public report: For Decision
This proposal: <ul style="list-style-type: none">• provides statutory duties• provides business enabling functions	
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of:	Group Chief Internal Auditor
Report author:	Anu Newton, Deputy Head of Internal Audit

Summary

The Internal Audit Charter provides a blueprint for how Internal Audit will operate and allows the governing body to clearly signal the value it places on the independence of Internal Audit. The Charter is a mandatory requirement of the Global Internal Audit Standards, which also specify what the Charter should contain.

The Group Chief Internal Auditor has prepared the Internal Audit Charter for the City of London Corporation using the model charter template provided by the standard setter.

Recommendation(s)

In accordance with the requirements of the Global Internal Audit Standards, the Audit and Risk Management Committee is asked to approve the Internal Audit Charter.

Main Report

Background

1. It is a mandatory requirement of the Global Internal Audit Standards that an Internal Audit Charter is in place to help govern the Internal Audit function. This is a formal document that defines the purpose, authority, responsibility, and position of Internal Audit within the organisation. While an Internal Audit Charter has been a requirement

for many years, the Global Standards, issued in 2024, specify greater depth. The key elements of an Internal Audit Charter are:

- **Introduction:** Explaining the overall role, mission, and purpose of Internal Audit.
- **Authority:** Stating Internal Audit's full access to the records, physical property, and personnel required to perform its work.
- **Professional Standards:** Specifying the requirement to conform to the Global Internal Audit Standards.
- **Organisation and Reporting Structure:** Establishing reporting lines for the Chief Audit Executive (Group Chief Internal Auditor).
- **Independence and Objectivity:** Signalling the value placed on Internal Audit's independence.
- **Responsibilities:** Defines the scope of Internal Audit activities.
- **Quality Assurance and Improvement:** Committing to continuous improvement in relation to Internal Audit Activity.

Current Position

2. The Global Institute of Internal Auditors provides a template for a model Internal Audit Charter. This template has been adopted for the City of London Corporation's Internal Audit function, Appendix 1 to this report. The model charter contains all mandatory elements and there have been no amendments to the Charter for 2026.
3. Approval of the Internal Audit Charter is a key part of establishing the Internal Audit function's remit and authority, the Global Internal Audit Standards require that the Charter be approved on an annual basis.

Corporate & Strategic Implications

4. Internal Audit provides assurance as to the adequacy of the City of London Corporation's systems of internal control and governance and risk management arrangements.

Conclusion

5. The Internal Audit Charter is vital to the success of Internal Audit, the Standards require this to be reviewed annually and approved by the governing body. In the case of the City of London Corporation, the Audit and Risk Management Committee is deemed the governing body.

Appendices

- Appendix 1 – Internal Audit Charter 2026

Contact Officer:

Matt Lock

Group Chief Internal Auditor - Chamberlain's Department

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T: 020 7332 1276

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Internal Audit Charter for The City of London Corporation

Purpose

The purpose of the Internal Audit function is to strengthen The City of London Corporation's ability to create, protect, and sustain value by providing Court of Common Council and management with independent, risk-based, and objective assurance, advice, insight, and foresight.

The Internal Audit function enhances The City of London Corporation's:

- Successful achievement of its objectives.
- Governance, risk management, and control processes.
- Decision-making and oversight.
- Reputation and credibility with its stakeholders.
- Ability to serve the public interest.

The City of London Corporation's Internal Audit function is most effective when:

- Internal Audit is performed by competent professionals in conformance with the Global Internal Audit Standards, which are set in the public interest.
- The Internal Audit function is independently positioned with direct accountability to the Audit and Risk Management Committee.
- Internal Auditors are free from undue influence and committed to making objective assessments.

Commitment to Adhering to the Global Internal Audit Standards

The City of London Corporation's Internal Audit function will adhere to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, which are the Global Internal Audit Standards and Topical Requirements. The Group Chief Internal Auditor will report periodically to the Audit and Risk Management Committee and Senior Leadership regarding the Internal Audit function's conformance with the Standards, which will be assessed through a quality assurance and improvement programme.

Mandate

The legal requirement for Internal Audit within the City of London Corporation is outlined in the Accounts and Audit Regulations 2015 (SI No. 234). According to Part 2 (Internal Control), Section 5, a relevant authority must undertake an effective Internal Audit to evaluate the effectiveness of its risk management, control, and governance processes.

Authority

The Audit and Risk Management Committee, having received its authority from the Court of Common Council, grants the Internal Audit function the mandate to provide the Committee and Senior Leadership with objective assurance, advice, insight, and foresight.

The Internal Audit function's authority is created by its direct reporting relationship to the Audit and Risk Management Committee. Such authority allows for unrestricted access to the Audit and Risk Management Committee.

The Audit and Risk Management Committee, on behalf of the Court of Common Council, authorises the Internal Audit function to:

- Have full and unrestricted access to all functions, data, records, information, physical property, and personnel pertinent to carrying out Internal Audit responsibilities. Internal Auditors are accountable for confidentiality and for safeguarding records and information.
- Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques and issue communications to accomplish the function's objectives.
- Obtain assistance from the necessary personnel of The City of London Corporation and other specialised services from within or outside The City of London Corporation to complete Internal Audit services.

Independence, Organisational Position, and Reporting Relationships

The Group Chief Internal Auditor will be positioned at a level in the organisation that enables Internal Audit services and responsibilities to be performed without interference from management (See "Mandate" section), thereby establishing the independence of the Internal Audit function. The Group Chief Internal Auditor will report functionally to the Audit and Risk Management Committee and administratively (for example, day-to-day operations) to the Chamberlain and Chief Financial Officer. This positioning provides the organisational authority and status to bring matters directly to Senior Leadership and escalate matters to the Audit and Risk Management Committee, when necessary, without interference and supports the Internal Auditors' ability to maintain objectivity.

The Group Chief Internal Auditor will confirm to the Audit and Risk Management Committee, at least annually, the organisational independence of the Internal Audit function. If the governance structure does not support organisational independence, the Group Chief Internal Auditor will document the characteristics of the governance structure limiting independence and any safeguards employed to achieve the principle of independence. The Group Chief Internal Auditor will disclose to the Audit and Risk Management Committee any interference Internal Auditors encounter related to the scope, performance, or communication of Internal Audit work and results. The disclosure will include communicating the implications of such interference on the Internal Audit function's effectiveness and ability to fulfill its mandate.

Changes to the Mandate and Charter

Circumstances may justify a follow-up discussion between the Group Chief Internal Auditor, Audit and Risk Management Committee and Senior Leadership on the Internal Audit mandate or other aspects of the Internal Audit Charter. Such circumstances may include but are not limited to:

- A significant change in the Global Internal Audit Standards.
- A significant change to organisation design.
- Significant personnel changes: Group Chief Internal Auditor, Audit and Risk Management Committee, and/or Senior Leadership.

- Significant changes to the organisation's strategies, objectives, risk profile, or the environment in which the organisation operates.
- New laws or regulations that may affect the nature and/or scope of Internal Audit services.

Committee Oversight

To establish, maintain, and ensure that The City of London Corporation's Internal Audit function has sufficient authority to fulfill its duties, the Audit and Risk Management Committee will, on behalf of Court of Common Council:

- Discuss with the Group Chief Internal Auditor and Senior Leadership the appropriate authority, role, responsibilities, scope, and services (assurance and/or advisory) of the Internal Audit function.
- Ensure the Group Chief Internal Auditor has unrestricted access to and communicates and interacts directly with the Audit and Risk Management Committee, including in private meetings without Senior Leadership present.
- Discuss with the Group Chief Internal Auditor and Senior Leadership other topics that should be included in the Internal Audit Charter.
- Participate in discussions with the Group Chief Internal Auditor and Senior Leadership about the "essential conditions," described in the Global Internal Audit Standards, which establish the foundation that enables an effective Internal Audit function.
- Approve the Internal Audit function's Charter, which includes the Internal Audit mandate and the scope and types of Internal Audit services.
- Review the Internal Audit Charter periodically with the Group Chief Internal Auditor to consider changes affecting the organisation and approve the Internal Audit Charter annually.
- Approve the risk-based Internal Audit programme of work.
- Receive communications from the Group Chief Internal Auditor about the Internal Audit function including its performance relative to its programme of work.
- Ensure a quality assurance and improvement programme has been established.
- Review of the results of the quality assurance and improvement programme annually.
- Make appropriate inquiries of management and the Group Chief Internal Auditor to determine whether scope or resource limitations are inappropriate.

Group Chief Internal Auditor Roles and Responsibilities

Ethics and Professionalism

The Group Chief Internal Auditor will ensure that Internal Auditors:

- Conform with the Global Internal Audit Standards, including the principles of Ethics and Professionalism: integrity, objectivity, competency, due professional care, and confidentiality.
- Understand, respect, meet, and contribute to the legitimate and ethical expectations of the organisation and be able to recognise conduct that is contrary to those expectations.

- Encourage and promote an ethics-based culture in the organisation.
- Report organisational behavior that is inconsistent with the organisation's ethical expectations, as described in applicable policies and procedures.

Objectivity

The Group Chief Internal Auditor will ensure that the Internal Audit function remains free from all conditions that threaten the ability of Internal Auditors to carry out their responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication. If the Group Chief Internal Auditor determines that objectivity may be impaired in fact or appearance, the details of the impairment will be disclosed to appropriate parties.

Internal Auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively such that they believe in their work product, do not compromise quality, and do not subordinate their judgment on Audit matters to others, either in fact or appearance.

Internal Auditors will have no direct operational responsibility or authority over any of the activities they review. Accordingly, Internal Auditors will not implement internal controls, develop procedures, install systems, or engage in other activities that may impair their judgment, including:

- Assessing specific operations for which they had responsibility within the previous year.
- Performing operational duties for The City of London Corporation or its affiliates.
- Initiating or approving transactions external to the Internal Audit function.
- Directing the activities of any City of London Corporation employee that is not employed by the Internal Audit function, except to the extent that such employees have been appropriately assigned to Internal Audit teams or to assist Internal Auditors.

Internal Auditors will:

- Disclose impairments of independence or objectivity, in fact or appearance, to appropriate parties as they arise and at least annually.
- Exhibit professional objectivity in gathering, evaluating, and communicating information.
- Make balanced assessments of all available and relevant facts and circumstances.
- Take necessary precautions to avoid conflicts of interest, bias, and undue influence.

Managing the Internal Audit Function

The Group Chief Internal Auditor has the responsibility to:

- At least annually, submit a risk-based Internal Audit plan to the Audit and Risk Management Committee and Senior Leadership for review and approval.
- Communicate the impact of resource limitations on the Internal Audit plan to the Audit and Risk Management Committee and Senior Leadership.

- Review and adjust the Internal Audit plan, as necessary, in response to changes in The City of London Corporation's business, risks, operations, programmes, systems, and controls.
- Communicate with the Audit and Risk Management Committee and Senior Leadership if there are significant interim changes to the Internal Audit plan.
- Ensure Internal Audit engagements are performed, documented, and communicated in accordance with the Global Internal Audit Standards.
- Follow up on engagement findings and confirm the implementation of recommendations or action plans and communicate the results of Internal Audit services to the Audit and Risk Management Committee and Senior Leadership periodically and for each engagement as appropriate.
- Ensure the Internal Audit function collectively possesses or obtains the knowledge, skills, and other competencies needed to meet the requirements of the Global Internal Audit Standards and fulfill the Internal Audit mandate.
- Identify and consider trends and emerging issues that could impact The City of London Corporation and communicate to the Audit and Risk Management Committee and Senior Leadership as appropriate.
- Consider emerging trends and successful practices in Internal Auditing.
- Establish and ensure adherence to methodologies designed to guide the Internal Audit function.
- Ensure adherence to The City of London Corporation's relevant policies and procedures unless such policies and procedures conflict with the Internal Audit Charter or the Global Internal Audit Standards. Any such conflicts will be resolved or documented and communicated to the Audit and Risk Management Committee and Senior Leadership.
- Coordinate activities and consider relying upon the work of other internal and external providers of assurance and advisory services. If the Group Chief Internal Auditor cannot achieve an appropriate level of coordination, the issue must be communicated to Senior Leadership and if necessary escalated to the Audit and Risk Management Committee.

Communication with the Audit and Risk Management Committee and Senior Leadership

The Group Chief Internal Auditor will report periodically to the Audit and Risk Management Committee and Senior Leadership regarding:

- The Internal Audit function's mandate.
- The Internal Audit programme of work and performance relative to its plan.
- Significant revisions to the Internal Audit programme of work or budget.
- Potential impairments to independence, including relevant disclosures as applicable.
- Results from the quality assurance and improvement programme, which include the Internal Audit function's conformance with The Global Internal Audit Standards and action

plans to address the Internal Audit function's deficiencies and opportunities for improvement.

- Significant risk exposures and control issues, including fraud risks, governance issues, and other areas of focus for the Audit and Risk Management Committee.
- Results of assurance and advisory services.
- Resource requirements.
- Management's responses to risk that the Internal Audit function determines may be unacceptable or acceptance of a risk that is beyond The City of London Corporation's risk appetite.

Quality Assurance and Improvement Programme

The Group Chief Internal Auditor will develop, implement, and maintain a quality assurance and improvement programme that covers all aspects of the Internal Audit function. The programme will include external and internal assessments of the Internal Audit function's conformance with the Global Internal Audit Standards, as well as performance measurement to assess the Internal Audit function's progress toward the achievement of its objectives and promotion of continuous improvement. The programme also will assess, if applicable, compliance with laws and/or regulations relevant to Internal Auditing. Also, if applicable, the assessment will include plans to address the Internal Audit function's deficiencies and opportunities for improvement.

Annually, the Group Chief Internal Auditor will communicate with the Audit and Risk Management Committee and Senior Leadership about the Internal Audit function's quality assurance and improvement programme, including the results of internal assessments (ongoing monitoring and periodic self-assessments) and external assessments. External assessments will be conducted at least once every five years by a qualified, independent assessor or assessment team from outside The City of London Corporation; qualifications must include at least one assessor holding an active Certified Internal Auditor credential.

Scope and Types of Internal Audit Services

The scope of Internal Audit services covers the entire breadth of the organisation, including all of The City of London Corporation's activities, assets, and personnel. The scope of Internal Audit activities also encompasses but is not limited to objective examinations of evidence to provide independent assurance and advisory services to the Audit and Risk Management Committee and management on the adequacy and effectiveness of governance, risk management, and control processes for The City of London Corporation.

The nature and scope of advisory services may be agreed with the party requesting the service, provided the Internal Audit function does not assume management responsibility. Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during advisory engagements. These opportunities will be communicated to the appropriate level of management.

Internal Audit engagements may include evaluating whether:

- Risks relating to the achievement of The City of London Corporation's strategic objectives are appropriately identified and managed.

- The actions of The City of London Corporation's officers, directors, management, employees, and contractors comply with The City of London Corporation's policies, procedures, and applicable laws, regulations, and governance standards.
- The results of operations and programmes are consistent with established goals and objectives.
- Operations and programmes are being carried out effectively and efficiently.
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact The City of London Corporation.
- The integrity of information and the means used to identify, measure, analyse, classify, and report such information is reliable.
- Resources and assets are acquired economically, used efficiently and sustainably, and protected adequately.

Approval/Signatures

Group Chief Internal Auditor

Date

Audit and Risk Management Committee Chair

Date

Town Clerk and Chief Executive

Date

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City of London Corporation Committee Report

Committee(s): Investment Committee – For Information Audit and Risk Management Committee – For Information	Dated: 1 December 2025 12 January 2026
Subject: Mid-Year Treasury Management Review 2025/26	Public report: For Information
This proposal: <ul style="list-style-type: none"> delivers Corporate Plan 2024-29 outcomes provides statutory duties provides business enabling functions 	Diverse Engaged Communities; Dynamic Economic Growth; Leading Sustainable Environment; Vibrant Thriving Destination; Providing Excellent Services; and Flourishing Public Spaces
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	£N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of:	The Chamberlain
Report author:	Adam Buckley, Senior Accountant - Treasury

Summary

The Treasury Management Strategy Statement (TMSS) and Annual Investment Strategy for 2025/26 was approved by the Investment Committee and the Finance Committee in February 2025 and by the Court of Common Council on 6 March 2025 and came into effect on 1 April 2025.

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

- The strategy has been reviewed to take account of economic and market developments over the first half of the year, particularly with regard to changes in interest rate expectations.
- The annual Consumer Prices Index (CPI) was 3.5% in April 2025, falling to 3.4% in May, however inflationary pressures have since resurfaced with CPI inflation hitting 3.8% in July where it remained in both August and September. The Bank of England's Monetary Policy Committee (MPC) cut Bank Rate from 4.50% to 4.25% at their May meeting, and implemented a further cut to 4.00% at their meeting in August. The Bank rate remained unchanged at the September and

November MPC meetings, with the accompanying statement to the November meeting commenting that further reductions to Bank Rate would depend on the evolution of the outlook for inflation. The revised path for interest rates over the medium term provided by our Treasury advisors, MUFG Corporate Markets, is for the Bank Rate to decline to 3.75% by March 2026, with a further cut to 3.50% by September 2026, where it will plateau.

- Under this scenario of falling interest rates, investment returns as a whole are expected to decrease over the rest of the financial year and the medium term, as maturing investments are reinvested at reduced rates. However, as yields decrease, the capital value of the Corporation's (City Fund) bond fund investments increase as bond prices have an inverse relationship with interest rates (i.e. when interest rates decrease, bond prices increase and vice versa).
- As at 30 September 2025, the City had cash balances totalling £1,038.7m. Most of the balances are held for payment to third parties or are restricted reserves. Cash balances are expected to reduce meaningfully over the medium term as spending on the capital programme increases.
- In light of the above, the Corporation's priorities remain as security and liquidity (ahead of yield). Given the current risk environment, officers do not recommend that the Corporation relaxes its risk appetite for the remainder of the year.
- No approved counterparty limits were breached during the first half of 2025/26, and the City has experienced no liquidity concerns.
- No external borrowing has been entered into by City Fund, and it is not anticipated that City Fund will require any external borrowing during the remainder of the financial year.

Recommendation(s)

Members are asked to note the report.

Main Report

Background

1. The City of London Corporation (the City) is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low-risk counterparties or instruments commensurate with the City's low risk appetite, providing adequate liquidity initially before considering investment return.
2. The second main function of the treasury management service is the funding of capital expenditure plans. In September 2019 the City issued fixed rate market debt on behalf of City's Cash via a private placement, which will support that entity's long term capital financing plans. The first tranche of borrowing proceeds of £250M were received in September 2019. The second tranche of borrowing proceeds of £200M were received in July 2021. The City has not undertaken any new borrowing in the first half of this year and does not at this stage anticipate any external borrowing in the remainder of 2025/26.

3. The City's treasury management activities are undertaken in accordance with the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised 2021) which was adopted by the Court of Common Council on 3 March 2010.
4. The City defines its treasury management activities as:
The management of the organisation's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.
5. The Chartered Institute of Public Finance and Accountancy is currently consulting local authorities in respect of potential changes to the Codes. At this juncture, the focus seems to primarily be on the Non-Treasury investment aspects of local authority activity. Officers will provide an update on any material developments/changes in due course.

Economic Update

6. According to the Office for National Statistics (ONS) Gross Domestic Product (GDP) grew by 0.3% in the quarter April to June 2025 following a 0.7% expansion in the first three months of the year. However, the financial year got off to a bumpy start with a 0.3% fall in real GDP in April as front-running of US tariffs in Q1 weighed on activity. Despite the underlying reasons for the drop, it was still the first fall since October 2024 and the largest fall since October 2023. Despite the subsequent upside in May and June, the economy stagnated in July with no growth, with the hike in taxes for businesses which took place in April likely playing a part in restraining growth.
7. UK headline consumer prices inflation (CPI) fell slightly from an annual rate of 3.5% in April 2025 to 3.4% in May 2025, however inflationary pressures have since resurfaced with CPI inflation hitting 3.8% in July where it has remained in both August and September. With food inflation rising to an 18-month high of 5.1% and households' expectations for inflation standing at a six year high, a further loosening in the labour market and weaker wage growth may be necessary for UK inflation to return to 2.0% by the Bank of England's anticipated timeline of early 2027.
8. The Monetary Policy Committee (MPC) cut Bank Rate from 4.50% to 4.25% at their May meeting, and implemented a further cut to 4.00% at their meeting in August. Governor Bailey was the casting vote in a 5-4 split, with the accompanying commentary noting the decision was "finely balanced" and reiterating that future rate cuts would be undertaken "gradually and carefully". As expected, the September MPC meeting saw rates remain unchanged, with the two dissenting voters in a 7-2 split voting for a further 25bps reduction.
9. More recently, rates again remained unchanged at the November meeting, though there was a surprise 5-4 split with Governor Bailey once more casting the deciding vote. The accompanying statement said that "...the extent of further reductions would therefore depend on the evolution of the outlook for inflation" and Governor Bailey's commented that "Upside risks to inflation have become less pressing since August, and I see further policy easing to come if disinflation becomes more clearly established in the period ahead". This could come from two more rounds

of inflation and jobs data between the November MPC and the next meeting in December, a period which will also include the Autumn Budget on 26 November.

10. Over the period (1 April to 31 September), the UK 10-year gilt yield fluctuated between 4.4% and 4.8%, ending the half year at 4.70%. The yield rose in April following wider global bond market volatility stemming from US Tariffs, easing back as trade tensions began to de-escalate, then in May as concerns about stickier inflation and shifting expectations about the path for interest rates led to another rise, though reduced again as trade tensions continued to ease and markets increasingly began to price in looser monetary policy. More recently, there was a short lived spike in yield in July as rolled-back spending cuts and uncertainty over Chancellor Reeves' future raised fiscal concern, highlighting the UK's fragile fiscal position, and that in an era of high-debt, high interest rates and low GDP growth, the markets are now more sensitive to fiscal risks than before the pandemic.
11. During August, long-dated gilts underwent a particularly pronounced sell-off, climbing 22 basis points and reaching a 27-year high of 5.6% by the end of the month. While yields have since eased back, the market sell-off was driven by investor concerns over growing supply-demand imbalances, stemming from unease over the lack of fiscal consolidation and reduced demand from traditional long-dated bond purchasers like pension funds. For 10-year gilts, by late September, sticky inflation, resilient activity data and a hawkish Bank of England have kept yields elevated at over 4.70%.
12. Looking ahead, ongoing speculation about further tax rises in the Autumn Budget on 26 November will remain a drag on GDP growth for a while yet. With the November Budget edging nearer, the UK public finances position looks weak. Public net sector borrowing of £18.0bn in August means that after five months of the financial year, borrowing is already £11.4bn higher than the OBR forecast at the Spring Statement in March. Therefore, what matters now is the OBR forecasts and their impact on the current budget in 2029/30, which is when the government's current fiscal rules have set out for day-to-day costs to be met by revenues and therefore at which point the government should only be borrowing to invest.

Treasury Management Strategy Statement and Annual Investment Strategy Update

13. The Treasury Management Strategy Statement and Annual Investment Strategy for 2024/25 was approved by the Investment Committee (17 February 2025), the Finance Committee (18 February 2025) and the Court of Common Council (6 March 2025).
14. Having considered the strategy, officers believe that it remains appropriate for the second half of 2025/26 and do not recommend any fundamental changes are made.

Investment Strategy

15. The Corporation held £1,038.7m of investments as at 30 September 2025 (£956.6m at 31 March 2025). Most of the balances are held for payment to third parties or are restricted reserves; they also include debt issued by City's Cash in 2019/20 and in the first half of 2021/22. As the Corporation's capital programme progresses, cash balances are projected to decline as internal borrowing

increases (see paragraph 26 below). The weighted average rate of return on the City's treasury management portfolio at the end of September was 4.71%.

16. The weighted average rate of return was boosted by the short-dated bonds (i.e. non-specified investments) as their 12 month-trailing returns reached over 6% at the end of September 2025 (the weighted average rate of return excluding short-dated bonds funds was 4.46%). Bond prices have an inverse relationship with interest rates (i.e. when interest rates increase, bond prices decrease and vice versa), and hence there has been a corresponding increase in short-dated bond fund returns over the first half of 2025/26, with appreciation of capital value as interest rates have fallen, whilst yield has remained high.
17. As non-specified investments, only the City Fund will have exposure to the short-dated bond funds (as ratified by the Court of Common Council in December 2022), and as the IFRS9 override has been extended for existing pooled fund investments held as of 1 April 2024 ('legacy investments') until 31 March 2029, any capital gains/losses will continue not to be taken through the General Fund. Any new investments taken out after 1 April 2024 will be subject to IFRS 9 compliance and will require fair value movements to be recognised directly within City Fund income and expenditure.
18. In accordance with the CIPFA Treasury Management Code of Practice, the Corporation's investment priorities are:
 - Security of capital
 - Liquidity
 - Yield
19. The Corporation aims to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with the Corporation's risk appetite. In the current economic climate, it is considered appropriate to retain sufficient capacity to cover planned and potentially unanticipated cash flow needs, but also to seek out value by placing deposits with high credit rated counterparties where possible. The current investment strategy remains appropriate for facilitating these aims by limiting lending to only high-quality borrowers whilst also not being so restrictive as to create an overconcentration of exposure to any single counterparty.
20. At the outset of the year, the Corporation, based on MUFG Corporate Market's central forecast for interest rates, estimated for a pattern to evolve whereby Bank Rate cuts would be made quarterly in keeping with the release of the Bank of England's quarterly monetary policy reports, though with any eventual movement below a 4% Bank Rate very much dependent on inflation data in the second half of 2025.
21. MUFG Corporate Markets' latest forecast on 11 August sets out a view that short, medium and long-dated interest rates will fall back over the next year or two, although there are upside risks in respect of the stickiness of inflation and a continuing tight labour market, as well as the size of gilt issuance.
22. MUFG's revised path for interest rates over the medium term, is for Bank Rate to remain at 4.00% by the end of 2025, then cuts to 3.75% by March 2026 and 3.50% by September 2026, where the rate would be maintained until a further decrease by September 2027, leaving rates at around 3.25% for the rest of the 2027/28 financial year (see Appendix 1). Under this scenario, investment returns as a

whole are still expected to decrease over the rest of the financial year and the medium term, as previously forecast.

23. In light of the above, the prime objective is to ensure cash is safe and available when needed, and the Corporation's priorities remain as security and liquidity, ahead of yield. It is not recommended that the Corporation relaxes its creditworthiness criteria at this stage to protect income as this would contradict the primary obligation of keeping the Corporation's cash assets secure, before considering yield.

24. No approved counterparty limits were breached during the first half of 2025/26, and the City has experienced no liquidity concerns. The Treasury Management Strategy remains appropriate in enabling the City to pursue its prime objectives of security and liquidity, followed by yield.

Borrowing Strategy

City Fund

25. The City Fund has not acquired any external borrowing in the first half of the year and it is not anticipated that any external borrowing will be required in the remainder of 2025/26.

26. Although the City Fund is forecast to have a growing capital financing requirement forecast in the years ahead, it expects to be able to fund this in the short term via internal borrowing. Entering into new external borrowing now would increase the Corporation's revenue pressures in the immediate term (i.e. there would be a cost of carry), however the Chamberlain will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances.

City's Cash

27. City's Cash issued £450m of market debt in 2019/20, £200m of which was deferred for receipt until 2021/22. The Corporation took receipt of these borrowing proceeds in July 2021, and they were held in the short term investments portfolio until required by the capital programme. By deferring receipt of this borrowing until 2021, the City avoided paying additional interest costs whilst at the same time securing fixed rate borrowing on competitive terms. There are no plans to undertake any further borrowing on behalf of City's Cash in the second half of the year at this stage, but this will be monitored by officers as the Medium term Financial Plan (MTFP) is finalised.

Conclusion

28. The City has effectively executed the 2025/26 Treasury Management Strategy during the first six months of the year considering the original strategy against the current treasury management environment, officers judge that the investment strategy remains appropriate for the second half of the year.

Appendices

- Appendix 1 – Interest Rate Forecasts 2025/26 – 2028/29

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APPENDIX 1: Interest Rate Forecasts 2025/26 – 2028/29

PWLB rates and forecast shown below have taken into account the 20 basis point certainty rate reduction effective as of the 1st November 2012.

Please note, the lower Housing Revenue Account PWLB rate started on 15 June 2023 for those authorities with an HRA (standard rate minus 60 bps) and is set to prevail until at least the end of March 2026.

MUFG Corporate Markets Interest Rate View 11.08.25													
	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28
BANK RATE	4.00	4.00	3.75	3.75	3.50	3.50	3.50	3.50	3.25	3.25	3.25	3.25	3.25
3 month ave earnings	4.00	4.00	3.80	3.80	3.50	3.50	3.50	3.50	3.30	3.30	3.30	3.30	3.30
6 month ave earnings	4.00	3.90	3.70	3.70	3.50	3.50	3.50	3.50	3.30	3.30	3.40	3.40	3.40
12 month ave earnings	4.00	3.90	3.70	3.70	3.50	3.50	3.50	3.50	3.30	3.40	3.50	3.60	3.60
5 yr PWLB	4.80	4.70	4.50	4.40	4.30	4.30	4.30	4.20	4.20	4.20	4.20	4.10	4.10
10 yr PWLB	5.30	5.20	5.00	4.90	4.80	4.80	4.80	4.70	4.70	4.70	4.70	4.60	4.60
25 yr PWLB	6.10	5.90	5.70	5.70	5.50	5.50	5.50	5.40	5.40	5.30	5.30	5.30	5.20
50 yr PWLB	5.80	5.60	5.40	5.40	5.30	5.30	5.30	5.20	5.20	5.10	5.10	5.00	5.00

Comparison of Link Group current August 2025 interest rate forecast vs February 2025 forecast

Bank Rate	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28
11.08.25	4.00	4.00	3.75	3.75	3.50	3.50	3.50	3.50	3.25	3.25	3.25	3.25
10.02.25	4.25	4.00	3.75	3.75	3.75	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Change	-0.25	0.00	0.00	0.00	-0.25	0.00	0.00	0.00	-0.25	-0.25	-0.25	-0.25

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Agenda Item 14

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Agenda Item 15

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

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