

Committee(s)	Dated:
Audit and Risk Management Committee	25/05/2021
Subject: City of London Corporation Risk Management Policy and Strategy	Public
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	N/a
What is the source of Funding?	
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: Caroline Al-Beyerty, Chamberlain	For Decision
Report author: Paul Dudley, Corporate Risk Manager	

Summary

This reports seeks the Committee's annual endorsement for the Corporate Risk Management Policy and Strategy.

At the Audit and Risk Management Committee, on 20 January 2020, Members endorsed the revised City Corporation's Risk Management Policy and Strategy. This document set out the approach to Risk Management, risk governance and the process by which risks should be managed within the City Corporation.

Members are asked to note that the review and endorsement, of the Risk Management Policy and Strategy, by the Committee was originally scheduled for January 2021. This was postponed, with the agreement of the Chairman, following the announcement of the Target Operating Model and possible effects on relation to risk governance. The Chairman agreed to bring the Risk Management Policy and Strategy back to the May 2021 Committee meeting.

In preparation for the annual review of the Corporate Risk Management Policy and Strategy, in late 2020 the Audit and Risk Management Committee, Chief Officers and Chief Officer Risk Management Group (CORMG) were asked for their comments/suggestions on the document. A number of comments/suggested amendments were received, and these have been incorporated, where appropriate, in an annotated version of the Corporate Risk Management Policy and Strategy. The Chamberlain and CORMG reviewed the annotated version in April 2021.

Recommendation(s)

Members are asked to:

- Endorse the Corporate Risk Management Policy and Strategy 2021 and authorise the Chairman to sign the Policy Statement on behalf of the Committee.
- Agree to receive the Corporate Risk Management Policy/Strategy on an annual basis in future at the Committee's May meeting for review and endorsement.

Main Report

Background

1. The City Corporation's Risk Management Policy and Strategy is required to be presented to the Committee on an annual basis for their review and endorsement. A clean copy of the document attached as appendix 1 and an annotated updated version is attached as appendix 2.

Current Position

2. Members are asked to note that the review and endorsement, of the Corporate Risk Management Policy and Strategy, by the Committee was originally scheduled for January 2021. This was postponed, with the agreement of the Chairman, following the announcement of the Target Operating Model and possible effects on risk governance. The Chairman agreed to bring the Corporate Risk Management Policy and Strategy back to the May 2021 Committee meeting.
3. In preparation for the annual review of the Corporate Risk Management Policy and Strategy, originally scheduled for January 2021, the Audit and Risk Management Committee Members, Chief Officers, and the Chief Officer Risk Management Group (CORMG) were requested (in late 2020) to comment on the January 2020 version of this Risk Management Policy and Strategy. A number of suggestions and comments were received and noted. These comments together with updated information concerning the Summit Group and the recent approach to "accepting" risks have been incorporated in the annotated version. The Chamberlain and CORMG reviewed the latest version of the strategy in April 2021.
4. The City Corporation's Risk Management Policy and Strategy is based upon best practice including ISO Risk Management Standard:2018, guidance from the HM Orange Book 2019, the HM Management of Risk Guide 2011 as well as other public sector risk management strategies.

Corporate & Strategic Implications

5. The Corporate Risk Management Policy and Strategy sets out the City Corporation's approach to taking and managing risks. The document is a key element of the City Corporations corporate governance and internal control framework and seeks to meet its obligations under the Accounts and Audit Regulations 2015 to have "effective arrangements for the management of risk".

Conclusion

6. The City Corporation's Risk Management Policy and Strategy was originally scheduled for January 2021. However, this was postponed, with the agreement of the Chairman, until the May 2021 Committee meeting pending clarification of the impact of the Target Operating Model on risk governance. The attached annotated version includes the comments and suggested amendments received following consultation with Audit and Risk Management Committee Members, Chief Officers, the Chamberlain and the CORMG. Further changes to the document may be required at a later stage as the Target Operating Model is implemented.
7. The Corporate Risk Management Policy and Strategy forms an important part of the City Corporation's corporate governance and internal control framework as well as meeting legislative requirements.

Appendices

Appendix 1 – Clean copy version of the updated version of the City Risk Management Policy and Strategy 2021 (tracked changes accepted)

Appendix 2 – annotated version of the Corporate Risk Management Policy and Strategy 2021

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